

GULF DEVELOPMENT

THAILAND / UTILITIES

GULF TB

BUY

Epic journey

TARGET PRICE

THB57.70

- GULF is one of the top three companies with the largest market capitalizations on the SET, aiming to grow in power & energy, infrastructure and digital business.
- GULF has the most resilient earnings with a solid financial position and cash flows. Expect 2025 net profit to grow 19.7% y-y.
- Attractive valuation; our SoTP-based TP is THB57.7.

Solid business model reinforces high growth potential

GULF has a well-balanced portfolio with income streams from energy, infrastructure and digital business. We think that GULF has a positive strategy to strengthen its long-term earnings growth and position itself well ahead of its competitors for the upcoming digitalization of the industrial market landscape. Strategically, we think GULF could employ ADVANC's big data from its 45.8M mobile subscribers (48% market share) and its broadband business, holding a 47% market share in Thailand. Moreover, GULF has long-term investment exposure in THCOM, Binance TH and KBANK.

Expect GULF's 2025 earnings to be resilient and grow 19.7% y-y

We expect 2025 earnings to be resilient and grow 19.7% y-y, supported by 1) GULF's holding in ADVANC rising from 19% to 40.4%, resulting in its share of profits increasing by THB3.5b in 2025E; 2) a 1,477 MW capacity will COD in 2025; 3) the 25 MW data center will gradually COD from April 2025 on; and 4) a higher contribution from PTT NGD from lower gas costs with an additional 5 million tonnes of LNP imported to support electricity production. GULF has set its revenue target of 20-25% growth in 2025, which is in line with our projection.

The most resilient earnings among peers under our coverage

We believe GULF has secured power, infrastructure and digital projects that will commence commercial operations over the next decade to drive continuous growth. This is due to its diversified portfolio and >70% of its revenue is based on cost pass-through PPAs selling to EGAT. Based on the committed PPAs, we should see its equity capacity grow by 6% CAGR (2025-33). It should also have more M&A focused on renewables.

Recommended BUY rating on GULF with our SoTP-TP of THB57.7

We initiate coverage with a BUY call on GULF and a 2025 SoTP target price of THB57.7/share. We value GULF's power generation, renewables, infrastructure and digital business using a DCF valuation, discounted by 5.3% WACC, based on a cost of equity of 11% and a cost of debt of 3.8%. We value its other businesses using SoTP valuations.

KEY STOCK DATA

YE Dec (THB m)	2024*	2025E	2026E	2027E
Revenue	120,888	137,518	144,466	148,286
Net profit	21,383	25,595	29,825	32,896
EPS (THB)	1.43	1.71	2.00	2.20
vs Consensus (%)	-	-	-	-
EBITDA	24,113	26,068	28,171	30,888
Recurring net profit	21,383	25,595	29,825	32,896
Core EPS (THB)	1.43	1.71	2.00	2.20
EPS growth (%)	19.3	19.7	16.5	10.3
Net debt/Equity (%)	33.7	31.3	29.7	27.8
ROE (%)	6.5	7.4	8.1	8.6

Note: *Pro forma Consolidated Financial Information
Sources: Bloomberg consensus; FSSIA estimates



Songklod Wongchai

Fundamental Investment Analyst on Securities; License no. 018086
songklod.won@fssia.com, +66 2646 9970

Investment thesis

GULF was formed by the amalgamation between GULF Energy Development (GULF) and Intouch Holdings (INTUCH), with the first day of trading on 3 March 2025. After the completed transaction, GULF will continue to operate the businesses currently engaged in by both companies, which would benefit both companies' stake holders.

We believe GULF has secured power, infrastructure and digital projects that will commence commercial operations over the next decade to drive continuous growth. This is due to its diversified portfolio and >70% of its revenue is based on cost pass-through PPAs selling to EGAT. Based on the committed PPAs, we should see its equity capacity grow by 6% CAGR (2025-33). It should also have more M&A focused on renewables.

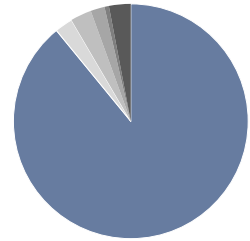
Company profile

GULF is one of the largest power producers in Thailand with expected capacity of over 7.6GW by 2027. It has the largest SPP and IPP portfolio and the strongest earnings growth outlook among the Thai power companies we cover.

www.gulf.co.th

Principal activities (revenue, 2024)

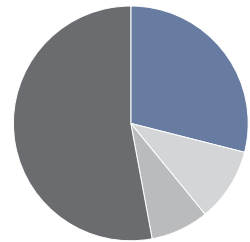
- Gas-fired power business - 89.1 %
- Renewable energy business - 2.5 %
- Infrastructure & utilities business - 2.9 %
- Satellite business - 1.9 %
- Revenue from management fee - 0.6 %
- Other income - 3.0 %



Source: Gulf Development

Major shareholders

- Mr. Sarath Ratanavadi - 29.0 %
- UBS AG/Singapore - 10.1 %
- Gulf Capital Holdings Limited - 8.0 %
- Others - 52.9 %



Source: Gulf Development

Catalysts

Key potential catalysts are 1) the upcoming round of bidding on 3.6GW in renewable projects under PDP2024 that will be released within this year; 2) lower energy costs; and 3) new expansion projects and M&As.

Risks to our call

The downside risks to our SoTP-based TP for GULF include 1) a lower-than-expected Ft; 2) a higher-than-expected gas cost; and 3) delays in project commercial operation dates.

Event calendar

Date	Event
May 2025	1Q25 financial results announcement

Key assumptions

(THB/kWh)	2024	2025E	2026E	2027E
GMP's ASP sold to IU	3.69	3.60	3.60	3.59
GMP's ASP sold to EGAT	4.78	4.67	4.67	4.67
IPD's ASP (IPP)	3.46	3.30	3.30	3.30
Ft	0.36	0.28	0.28	0.28
Gas cost (THB/mmbtu)	350	320	320	320

Source: FSSIA estimates

Earnings sensitivity

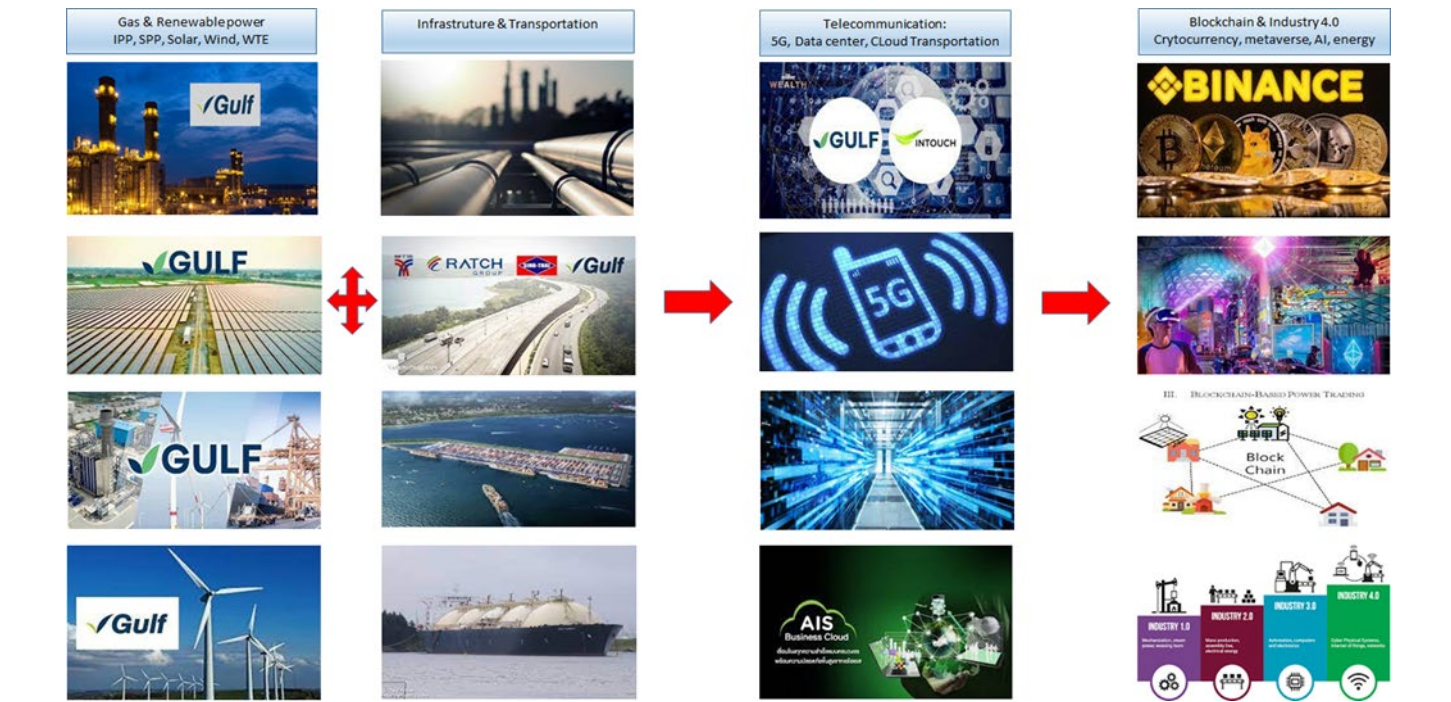
- We estimate that a THB1/mmbtu decrease in the gas price would increase net profit by THB12m per annum and vice versa, all else being equal.
- We estimate that a THB0.01/kWh decrease in the Ft would decrease net profit by THB20m per annum and vice versa, all else being equal.

Source: FSSIA estimates

A strategic move to improve forward integration growth

GULF's strategy is to expand its business from utilities, infrastructure, and transportation into digital information technology as a key platform to springboard to the next growth phase of industry 4.0. This includes AI data centers, the cloud, cryptocurrency, blockchain-based businesses in finance, retail, utilities, and "smart" ventures, and the internet-of-everything (IoE) – the next step from the current internet-of-things (IoT).

Exhibit 1: GULF's growth strategy could see it evolve into a technology and consumer-driven firm



Sources: GULF; ADVANC; BINANCE; FSSIA's compilation

Exhibit 2: GULF's target price valuation

SoTP valuation	(THB)	(THB/share)	Comment
Power generation	381,859	25.6	DCF - WACC 5.3%
Renewables	151,489	10.1	DCF - WACC 5.3%
Gas business	2,981	0.2	1x Book value
Infrastructure	65,844	4.4	SoTP
Digital	381,921	25.6	SoTP
Net debt (2024E)	(121,853)	(8.2)	
Total	862,242	57.7	

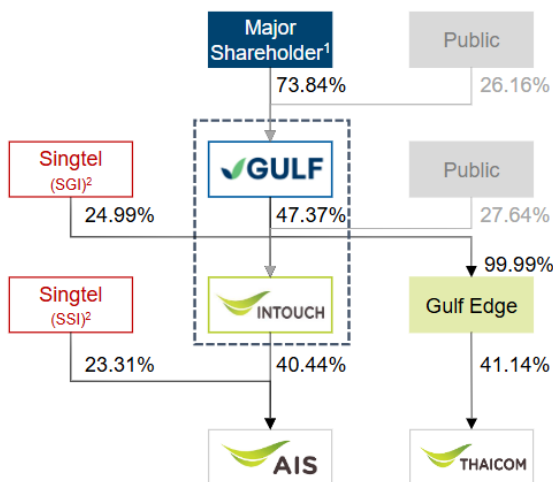
Source: FSSIA's estimates

GULF-INTUCH amalgamation – enhancing agility & growth

After the amalgamation of GULF and INTUCH, GULF will continue to operate the businesses currently engaged in by both companies, which would benefit both companies' stake holders via three key drivers:

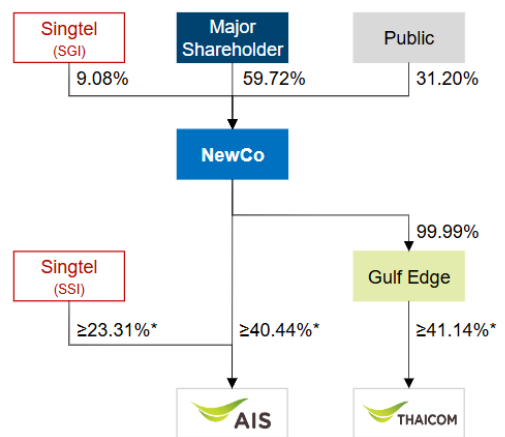
- Simplification and delayering of the shareholding structure of relevant listed companies, enhancing corporate agility and flexibility by streamlining strategic direction and decision-making processes.
- Creating a well-balanced portfolio of income streams from energy & infrastructure and digital businesses, which could magnify resiliency and foster a sustainable business model.
- Strengthening GULF (NewCo)'s financial position and cash flows, which should optimize the capital structure and improve the company's leverage capability to supply NewCo's strategic initiatives and upcoming growth opportunities.

Exhibit 3: Pre-transaction



Source: GULF presentation

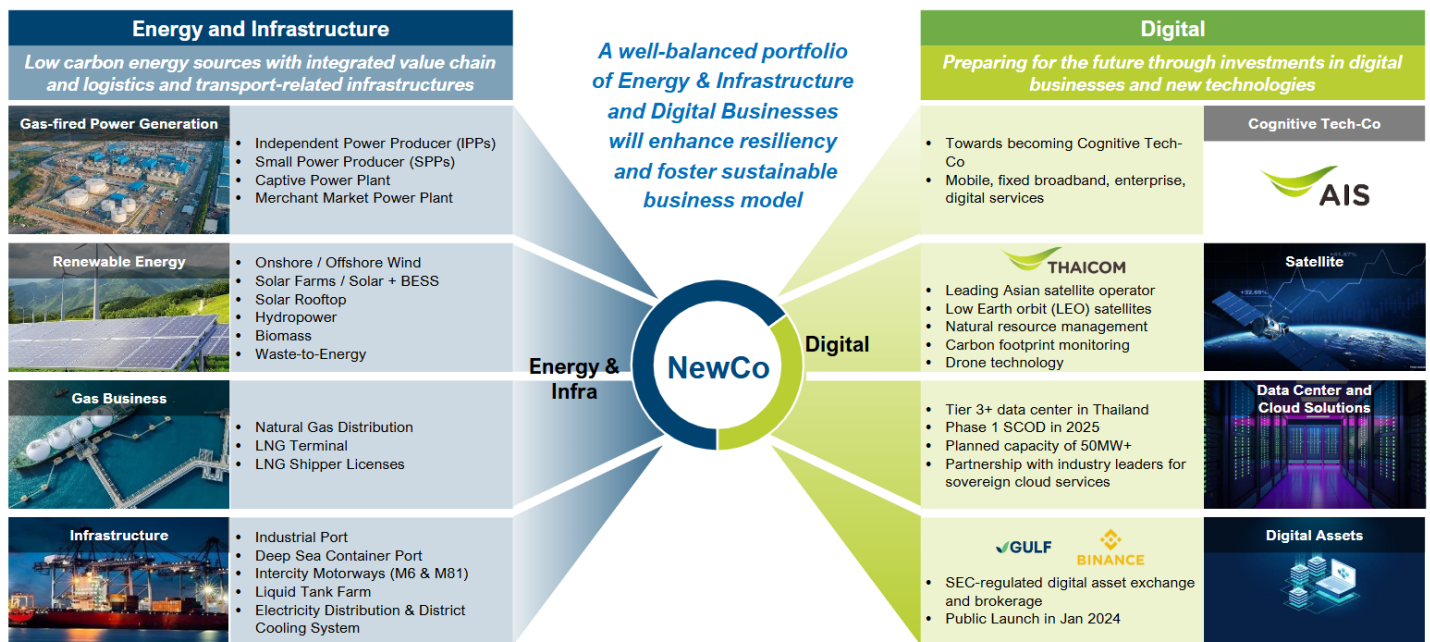
Exhibit 4: Post-transaction



*Subject to Voluntary Tender Offer (VTO) of ADVANC and THCOM

Source: GULF presentation

Exhibit 5: GULF business portfolio



Source: GULF

The amalgamation between Gulf Energy Development Public Company Limited (GULF) and Intouch Holdings Public Company Limited (INTUCH) is a strategic move aimed at restructuring their shareholding to maximize operational and investment efficiencies. This merger is expected to streamline the shareholding structure, enhance corporate agility, and create a balanced portfolio encompassing energy, infrastructure, and digital businesses.

Key details of the amalgamation:

Formation of NewCo:

GULF and INTUCH will merge to form a new publicly listed company, referred to as NewCo, anticipated to be established in the second quarter of 2025.

Share Allocation Ratios:

- *GULF shareholders:* 1 existing GULF share will be converted into 1.02974 shares of NewCo.
- *INTUCH shareholders:* 1 existing INTUCH share will be converted into 1.69335 shares of NewCo (excluding the 47.37% stake in INTUCH already held by GULF).

Tender offers:

Advanced Info Service Public Company Limited (ADVANC):
A conditional voluntary tender offer (VTO) will be made for 36.25% of ADVANC's outstanding shares at THB216.3 per share, totaling approximately THB233.2b.

Thaicom Public Company Limited (THCOM):
A VTO will be made for 58.86% of THCOM's outstanding shares at THB11 per share, totaling approximately THB7.1b.

Regulatory approvals:

The amalgamation and associated transactions are subject to approvals from shareholders and relevant regulatory authorities.

Exhibit 6: Transaction steps & indicative timeline

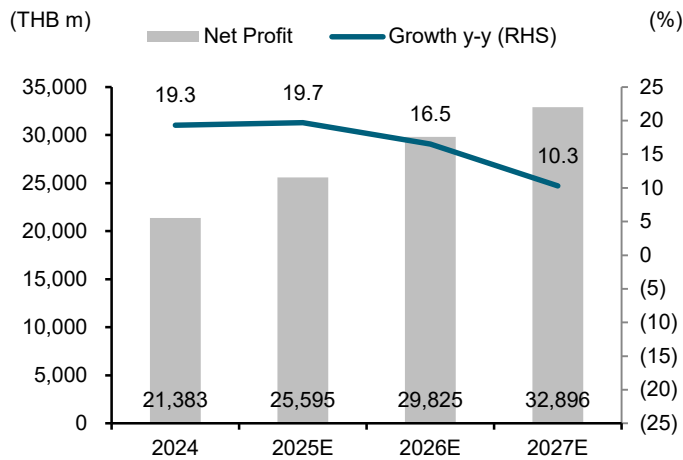


Source: GULF

In growth we trust

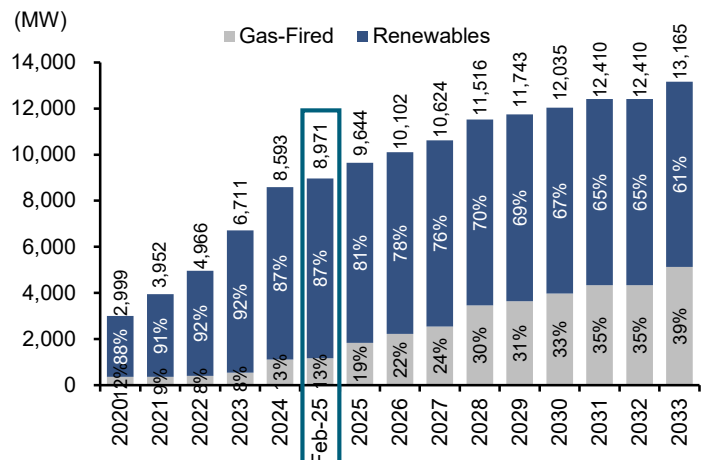
We forecast GULF's net profit to grow dramatically in 2025-27, driven by an additional IPP and more renewables, stronger earnings from ADVANC and the new data center project.

Exhibit 7: Net profit and growth



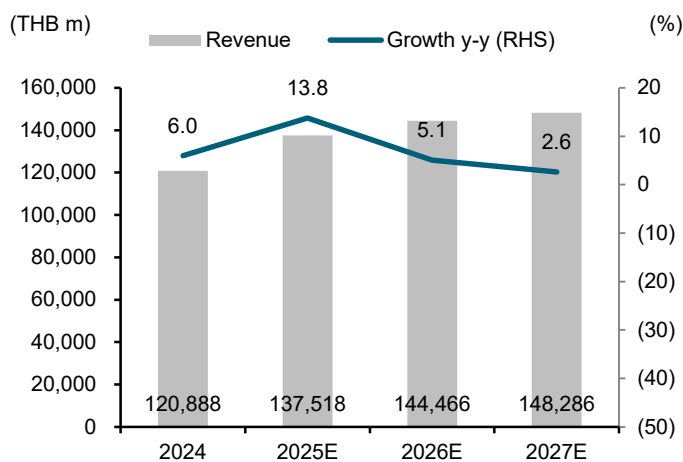
Sources: GULF; FSSIA estimate

Exhibit 8: Equity installed MW of committed projects



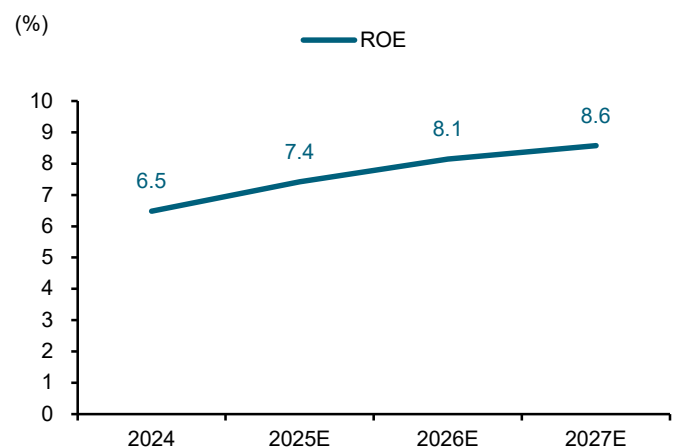
Source: GULF

Exhibit 9: Revenue and growth



Sources: GULF; FSSIA estimate

Exhibit 10: ROE



Sources: GULF; FSSIA estimate

The key growth drivers to boost GULF's 2025 earnings are as follows:

Digital business: higher share of profit from ADVANC.

- Given the amalgamation of GULF and INTUCH, GULF's holding in ADVANC will rise from a 19% to 40.4% stake, resulting in its share of profits from associates to increase by an estimated THB3.5b in 2025.
- The 25 MW Data Center Phase 1 is scheduled for a gradual COD from April 2025, with full capacity already reserved. In addition, there are plans to invest in 25 MW of the tier 3+ Data Center Phase II.
- Google Distributed Cloud air-gapped will be scheduled to commence operations by mid-2025.
- Thaicom (THCOM).

Energy business: Additional IPP and renewables, increasing by 1,477 MW.

- New capacity of around 1,477 MW is scheduled to commence operations in 2025, including:
 - i) Hin Kong Power (HKP) gas combined cycle power plant, unit 2, COD on 1 Jan 2025.
 - ii) 5 solar farms (308 MW), expected COD in 4Q25.
 - iii) 2 solar + battery storage (289 MW), expected COD in 4Q25.
 - iv) Solar rooftop (100 MW), gradual COD.

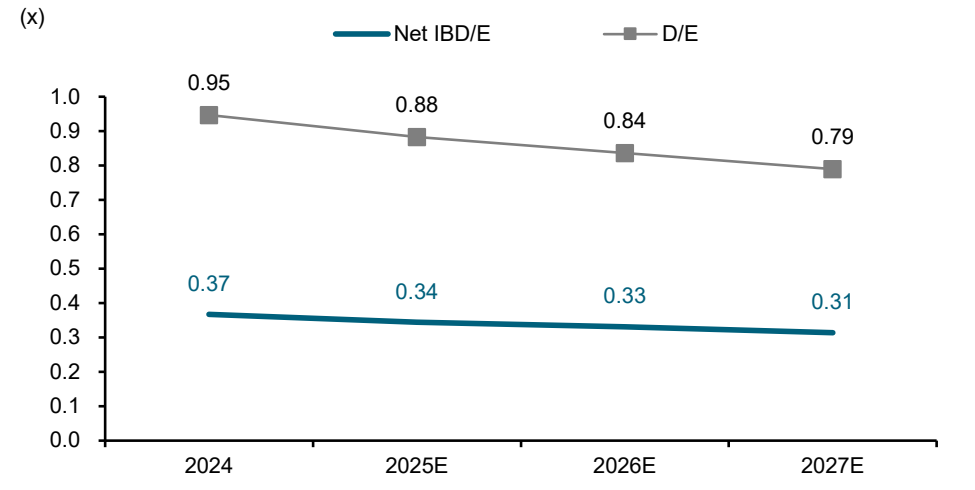
Infrastructure business:

- In 2025, GULF plans to add about 5 million tonnes (70 cargoes) of LNG imports to support the electricity production of the GSRC, GPD and HKP projects, thereby improving the power plant margin.
- GULF plans to build, store and regasify LNG before distributing it through PTT's gas transmission pipeline system by up to 10.8 MTPA, to SCOD in 2027.
- GULF plans to supply gas to its own power plants, which accounts for 7.2 MTPA of gas demand, for the usage of GULF's own independent power producers (IPP) and small power producers (SPP).
- MAP TA PHUT Port Phase 3 – GULF has a 70% stake in this project, and land reclamation is expected to finish in 2025.

Solid financial position

GULF has a strong balance sheet, which was only at 0.95 D/E at end-2024, and we expect it to decline to 0.88 at end-2025. This capital structure could improve its leverage capability by around THB200-300b to support its strategic initiatives and upcoming growth opportunities. This should allow GULF to fund its other growth projects beyond the acquisition and new power bidding.

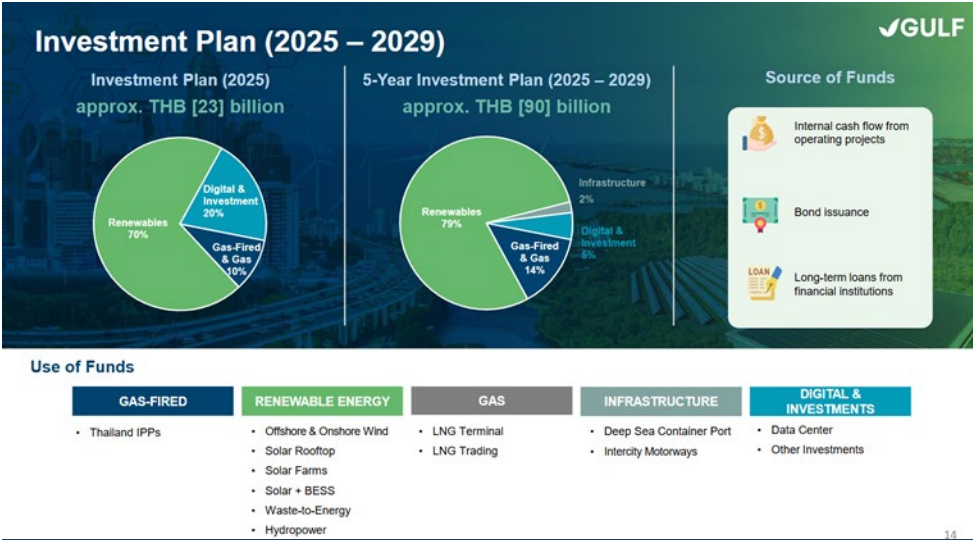
Exhibit 11: Net interest bearing debt to equity and total D/E ratio



Sources: GULF; FSSIA estimates

Investment plan during 2025-29

Exhibit 12: 2025 and 5-year investment plan in 2025-29



Source: GULF

According to GULF’s five-year investment plan worth THB90-100b, its key expansion focus remains the power business with 96% of the budget (70% renewables + 26% gas-fired power plants).

As for renewables in the short term, we expect GULF to add more projects in Thailand from the second round of bidding (total capacity of 3.7GW) regarding PDP2018 Rev1. Although we have not included this in our estimates, we think GULF will mostly focus on bidding for solar and wind projects. The results of this new round of bidding should be announced by the end of 2023. Moreover, in the medium to long term, the company is looking for new M&A opportunities for offshore and onshore wind farm projects overseas, mostly in the US and Europe. The budget is also expected to be used for 3.1GW of hydro projects in Laos (Luang Prabang, Pak Lay, and Pak Beng), which are set to COD in May 2030, Mar 2032, and Jan 2033, respectively.

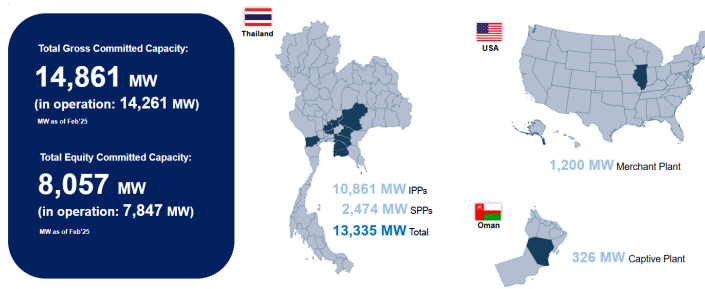
GULF's business portfolio: overview

Energy business: over 80% of total revenue

Founded in 2010, GULF is one of Thailand's pioneer power companies with operations in both SPPs and large IPPs. A big power company with strong and sustainable earnings growth, GULF is Thailand's largest power producer with the highest visible earnings growth outlook among the Thai power companies we cover.

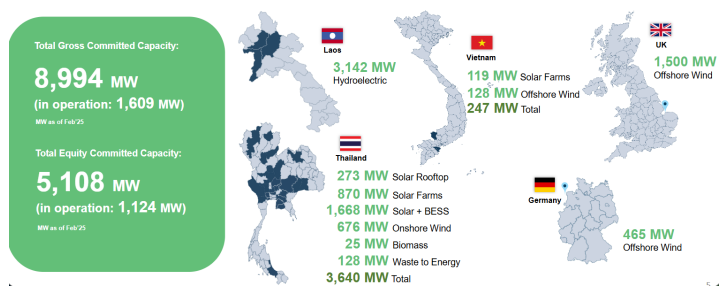
GULF currently operates its gas-fired power business in Thailand, Oman and the USA with more than 14GW of combined capacity. In addition, GULF has over 8,400 MW of committed renewable capacity across five counties with opportunities to develop more projects globally.

Exhibit 13: Gas-fired power generation portfolio



Source: GULF, (committed project)

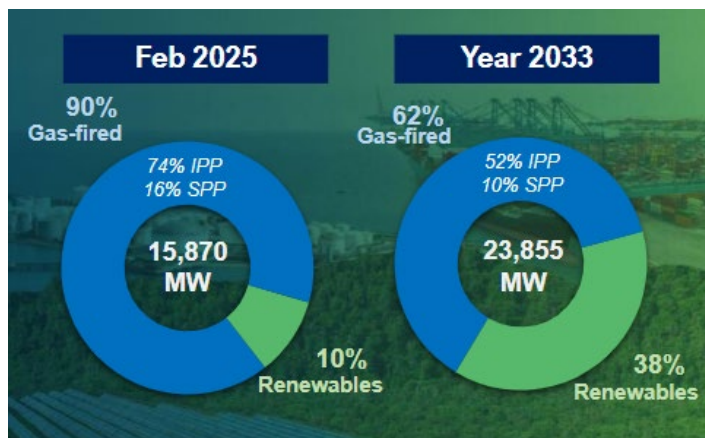
Exhibit 14: Renewable presence



Source: GULF, (committed project)

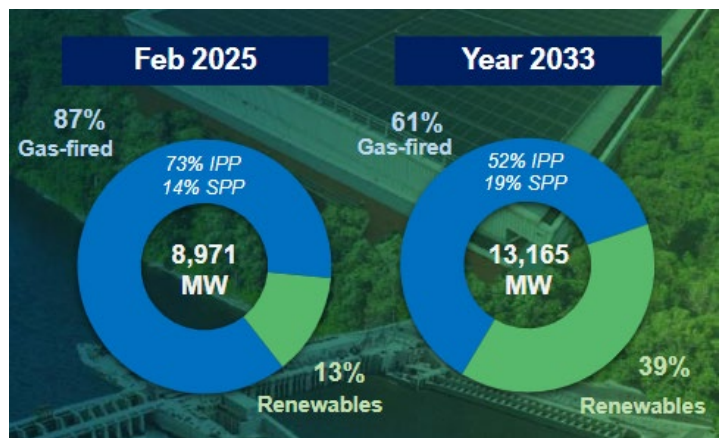
The company had a total gross installed capacity of 15,870 MW as of Feb 2025, which translates into an equity capacity of 8,971 MW. IPPs represent 73% of its capacity, followed by SPPs at 14% and renewables at 13%, which altogether make GULF one of the largest power companies and IPP operators in Thailand. Therefore, we believe GULF is the most resilient power plant player among its peers and that it faces limited potential impacts from the new government's policies. We think the recent share price plunge creates an opportunity for investors to accumulate its shares.

Exhibit 15: Gross installed capacity by power plant type



Source: GULF

Exhibit 16: Equity installed capacity by power plant type



Source: GULF

Exhibit 17: Long-term committed growth over the next decade



Source: GULF

PDP-2024 is the key growth driver

The draft Power Development Plan 2024 (PDP 2024) is currently under review and is expected to be submitted to the Cabinet for approval and come into effect in early 2025.

According to the Ministry of Energy, the draft PDP 2024 forecasts that peak demand in Thailand will reach 56,133 MW by the end of the plan in 2037, and plans for 77,407 MW of new power generation capacity. Currently, there is 53,868 MW of contracted power generation capacity in Thailand (as of Dec 2023). In the long term, power plants with 18,884 MW of existing power generation capacity will be decommissioned during the plan period. Therefore, by the end of the plan in 2037, Thailand will have a total of 112,391 MW of contracted power generation capacity.

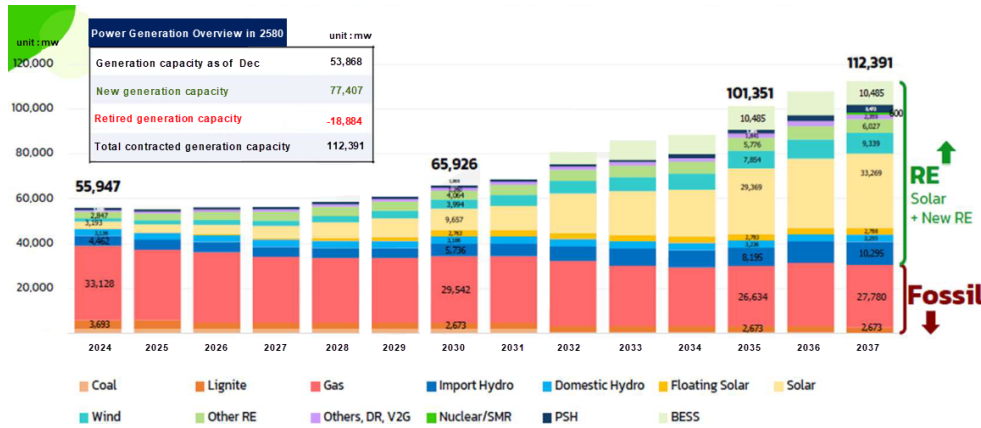
The 77,407 MW of new power generation capacity will come from three sources as follows:

- New power generation capacity of 47,251 MW, i.e. 34,851 MW for renewable energy, 6,300 MW for combined-cycle power plants, 600 MW of nuclear power (Small Modular Reactor: SMR), 3,500 MW for imported power from neighboring countries and 2,000 MW for other sources.
- Reserve power generation capacity of 12,957 MW, i.e. 2,472 MW for Pumped Storage Hydropower Plants and 10,485 MW for Battery Energy Storage Systems.
- Power generation from power plants with existing contracts of 17,199 MW.

The new renewable energy generation capacity, totaling 34,851 MW, are for 24,412 MW of solar power, 5,345 MW of wind power, 1,045 MW of biomass, 936 MW of biogas, 2,681 MW of floating solar power, 12 MW of industrial waste to energy, 300 MW of municipal waste to energy, 99 MW of small hydropower and 21 MW of geothermal power. This will increase the overall share of renewable energy to 51%, up from 36% in the PDP 2018 Revision 1.

The average electricity tariff throughout the PDP 2024 plan is expected to be THB3.8704 per unit, lower than the THB3.9479 per unit in the PDP 2018 Revision 1 (assuming the same parameters).

Exhibit 18: The draft PDP 2024 – power generation capacity during 2024-37



Source: EPPO

Exhibit 19: New MW additions by zone under PDP 2024

Region/Target COD	Power plant	Capacity (MW)	Remark
West			
2024	Hin Kong	700	IPPs/EGAT (replacing TECO)
2025	Hin Kong	700	IPPs/EGAT
North			
2026E	Mae Moh	600	Replacement by EGAT
Northeast			
2025E	Nam Phong	650	Replacement by EGAT
2026E	Power import	700	Pak Lay (770 MW)
2028E	Power import	700	Pak Beng (897 MW)
2030E	New bidding	700	IPPs/EGAT
2032E	Power import	700	Sanakam (684 MW)
2032E	New bidding	700	IPPs/EGAT
2033E	Power import	700	Luangprabang (1.4 GW)
2035E	Power import	700	Xekong 4A (165 MW) & 4B (175 MW)
Metropolitan			
2026E	South BKK	700	Replacement by EGAT
2027E	South BKK	1,400	Replacement by EGAT
2028E	North BKK	700	Replacement by EGAT
2035E	North BKK	700	Replacement by EGAT
2036E	New bidding	700	IPPs/EGAT
South			
2027E	Surat Thani	700	Replacement by EGAT
2029E	Surat Thani	700	Replacement by EGAT
2034E	New bidding	1,000	IPPs/EGAT
2035E	New bidding	700	IPPs/EGAT
Upper central			
2032E	New bidding	1,400	IPPs/EGAT
East			
2033E	New bidding	1,000	IPPs/EGAT
2037E	New bidding	700	IPPs/EGAT

Source: PDP 2024

Under Thailand's increased power purchase agreement with Laos from 9 GW to 10.5 GW, GULF has successfully secured electricity tariffs for two out of three new hydropower plants – Pak Beng (THB2.8/kWh), Pak Lay (THB2.9/kWh), and Sanakam – as its key earnings growth engines post 2026 after it completes 5 GW of IPPs in 2024. GULF is projected to secure additional hydropower plants, potentially Nam Ngum 3 or Xegong 4A & 4B via JV, according to management.

Exhibit 20: Potential and operating hydropower plant projects along the Mekong River

COD	Project	Capacity (MW)	Stake (%)	Equity Capacity (MW)	Investment (USD m)	Status	Key developer		Electricity offtaker
2026E	Nam Ngum 3	480	20	96	1,440	PPA signed Jul-19	EDL, EGATi	Reservoir	90% EGAT/ 10% EDL
2029E	Pak Beng	897	35	314	2,372	Granted tariff	Datang (Lao) Pak Beng Hydropower	Run-of-river	90% EGAT/ 10% EDL
2030E	Pak Lay	770	35	270	2,134	Granted tariff	PowerChina Resources	Run-of-river	n/a
2032E	Sanakam	684	30	205	2,073	Proposed May-20	Datang Sanakham Hydropower	Run-of-river	n/a
2033E	Luang Phabang	1,400	30	420	4,200	Proposed Jul-19	PetroVietnam Power	Run-of-river	n/a
Total		3,751		1,209					
Hydropower plants in operations on Mekong River									
2019	Xaiyaburi	1,285			4,838	Operating	CK Power 37.5%/GPSC 25%/EGCO 15%	Run-of-river	90% EGAT/ 10% EDL
2019	Don Sahong	260			780	Operating	Mega First Corp (Malaysia)	Run-of-river	na

Source: Mekong River Commission (MRC)

Infrastructure business: resilience

GULF is developing four large-scale infrastructure projects in Thailand, including the Intercity Motorway project (M6 & M81), Electricity Distribution System and District Cooling System for One Bangkok, Maptaphut phase 3 and Laem Chabang Port Development phase 3 (Terminal F). GULF also holds a 28.57% stake in Thai Tank Terminal.

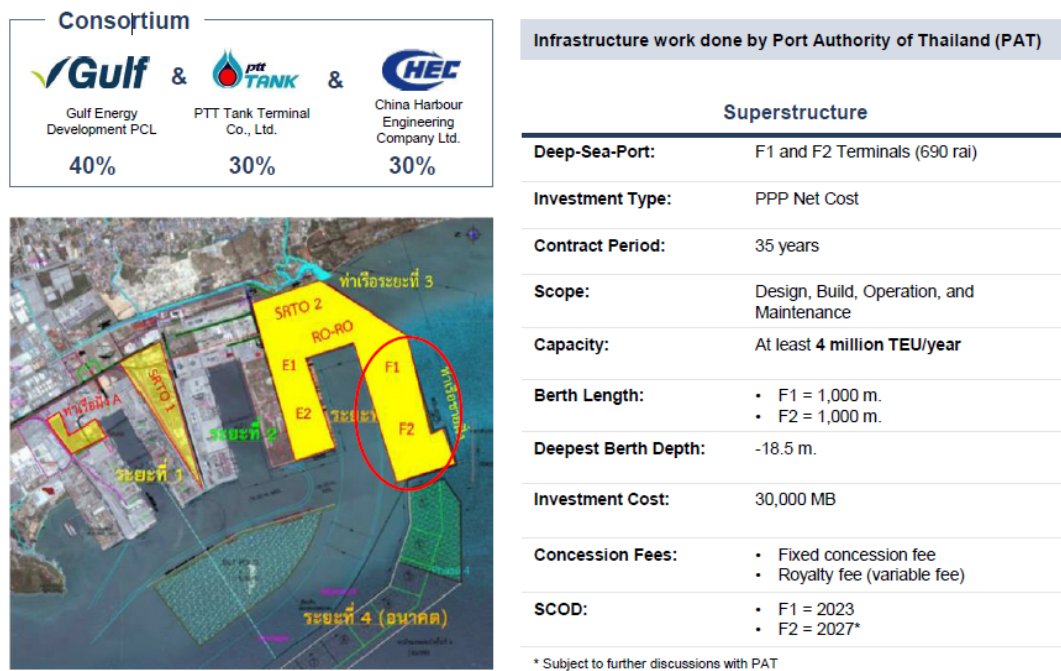
A positive development for LCB3

On 4 Aug 2021, the Thai regulator, the PCEEC, approved the LCB3 terminal project proposed by the GPC Group consortium, giving it the go-ahead to proceed with the project. GULF had already won the bid for LCB3 via the JV company, GPC (GULF 40%, PTT 30%, China Harbour Engineering 30%), announced in Apr 2019 by the Port Authority of Thailand.

The LCB3 project has an investment cost of THB84.4b with a concession period of 35 years. GPC agreed to offer a total NPV of THB32.3b, comprising a fixed NPV of THB29.1b and a variable NPV of THB100 per twenty-foot equivalent unit (TEU) to the PCEEC.

We estimate that LCB3 (THB32b investment) will earn an EIRR of 10.5% and start generating a net profit of THB631m in 2027, which could increase to THB1b by 2028, based on a higher utilization rate of 90%. This is based on the assumption of a starting 50% utilization rate for the 11.4m TEU containers, and would increase the LCB port's capacity from its current 9.7m TEUs to 21.1m TEUs. Of the 21.1m TEU capacity, 18.1m TEUs would be for cargo containers and 3m TEUs for automotive containers.

Exhibit 21: Laemchabang phase 3 (LCB3)



Source: GULF

A large upside for MTP3: In addition to LCB3, GULF (70% stake), via a JV with PTT Tank Terminal (30%), secured the Maptaphut phase 3 project (MPT3), which includes a port and an LNG terminal of up to a 16mtpa capacity, with an investment cost of THB55.4b.

We see more upsides from MTP3 to GULF due to the larger-than-expected scale of its LNG terminal from 10mtpa to 16mtpa (first phase of 5mtpa scheduled to COD by 2025 and second phase capacity COD remains undetermined by the regulator), resulting in 1) higher annual net profit contributions to GULF estimated at 0.1b-8.9b, up from 0.1b-4.9b; 2) a higher projected EIRR from 11% to 13.6%; and 3) an estimated value/shr of THB50. The key supportive factor would be the stronger LNG demand post-2025, compared to the previous LNG demand under GAS 2015, thanks to the additional gas-fired power plant capacity in PDP 2018.

We estimate that MTP3, which comprises mainly the new deep-sea port and the 10mtpa LNG terminal, will earn an EIRR of 13.6% in 2025. We project MTP3 to be GULF's key earnings growth driver post-2025, generating a 2026E net profit of THB44m (70% stake) from a land reclamation project (THB12.9b investment), potentially rising to THB1.2b by 2027 when the 5mtpa LNG terminal starts up (THB28b investment), and to THB8.1b by 2030 when the LNG terminal phase 2 (THB17b investment) starts up.

Exhibit 22: Maptaphut industrial port phase 3 (MTP3)

Maptaphut industrial port phase 3	
GULF & PTT Tank Terminal joint venture	PTT Tank Terminal (30%), GULF Energy Development (70%)
Investment cost (THB b)	55.4
IEAT signed contract with the private side	Jun-19
Construction	2023
Commercial operation date (COD)	2027E
EIRR (%)	13.6
Estimated debt to equity	3:1
Estimated net profit per year contributions (THB b)	0.1-8.9
Port capacity	
LNG terminal (mtpa)	Up to 16

Sources: GULF; FSSIA estimates

We believe the key risk to MTP3 would be the permission for the unsettled fixed and guaranteed return of MTP3 by the Ministry of Energy to allow imported LNG to be included into Thailand's gas pooled price for the power industry. However, since we think that Thailand requires higher LNG imports to ensure a secure gas supply, we think the risk is low for MTP3.

Exhibit 23: Maptaphut phase 3 (MTP3)



Consortium		
70%		& 30%
	Infrastructure (2020 – 2023)	Superstructure (2023 – 2027)
Investment Type:	PPP	Private sector runs its own business
Scope:	Land reclamation (1,000 rai)	<u>Right to use land:</u> Plot B (200 rai) • LNG terminal (phase 1) 5 MTPA • LNG terminal (phase 2) 5 MTPA
Ownership:	Build – Transfer	Build – Operate – Transfer
Construction Period:	3 years (2020 – 2023)	4 years (2023 – 2027)
Operation Period:	Operated by IEAT	30 years
Investment Cost:	12,900 MB	35,000 MB
Return on Investment:	Annual fixed payment made by IEAT to private sector for 30 years	Tolling service fees by off-takers

Source: GULF

Digital business: street of the future

The large upside for ADVANC, THCOM, KBANK and GULF Binance TH

We think that GULF's 40.44% stake in ADVANC, 41.14% stake in THCOM and 3.23% stake in KBANK will help strengthen its long-term earnings growth and allow the company to position itself well ahead of its competitors for the upcoming digitalization of the industrial market landscape for infrastructure technology.

Exhibit 24: Use-case roadmap: integrated applications

Phase	Use case	Description	Impact
1	Rural Digital Banking Access	Satellite + 5G connects rural branches or kiosks; blockchain handles KYC + transactions	Financial inclusion
2	Blockchain-Powered Remittances	Real-time, low-fee cross-border payments via blockchain (stablecoins) over 5G/satellite	Faster, cheaper remittance
3	Offline/Delay-Tolerant Payments	Use blockchain smart contracts that sync once 5G or satellite is online again	Useful in disaster or low-connectivity zones
4	Decentralized Identity (DID)	Use blockchain to store/verify customer identity; access via 5G in mobile branches	Fraud prevention, faster onboarding
5	Smart Contracts for Loans & Credit	Automate microloans or crop insurance payouts using blockchain smart contracts	Reduce manual intervention, improve access
6	Interbank Reconciliation	Blockchain for transparent transaction logs across banks; synced via satellite	Cross-border clarity & efficiency

Source: FSSIA's compilation

Exhibit 25: Strategic value summary

Technology	Role in the stack	Value
5G	Local fast connectivity (urban & semi-urban)	Real-time service, low-latency transactions
Satellite	Coverage in remote, disconnected, or disaster zones	Ubiquitous access
Blockchain	Immutable, transparent ledger; enables DeFi, smart contracts, identity	Trust, automation, decentralization
Banking	End-user financial services	Inclusion, customer experience, compliance

Source: FSSIA's compilation

Strategically, we think GULF could employ Advanced Info Service (ADVANC TB)'s 'big data' from its 41m mobile subscribers (45% market share in Thailand) and 1.2m (10% market share) broadband subscribers as a key potential customer base for a smart grid and smart utilities network.

The 5G technology platform would be used for the convergence of utilities, infrastructure, and data communications. According to the study by Huawei and China Telecom Beijing Research Institute in the report “5G Network Slicing Enabling the Smart Grid,” 5G technology is an essential component in the successful development of a smart grid system. A smart grid can comprehensively improve the information and intelligence of the power grid and fully utilize modern information communication and control technologies.

The smart grid system and the power pool concept can allow a country to achieve effective security, clean energy, close coordination, and intelligent development of the power grid, as well as provide reliable power for economic and social development.

With the rapid development of power consumption information collection, distribution automation, distributed energy access, EV services, bidirectional user interactions, and 5G technology, ICT platforms and the big data of customers have become critical for the development of a successful smart grid and smart utility and infrastructure systems. New real-time, stable and efficient communication technologies and systems suitable for the electric power industry are urgently needed for monitoring the status of and collecting information about intelligent devices and triggering new working and power service modes. With GULF's fully integrated network of multiple power plants (IPPs, SPPs, renewables), infrastructure assets (port, LNG terminal, motorway, and train systems), and its energy business (LNG imports, electricity and water distribution), we believe the company should be able to greatly benefit from ADVANC's extensive customer base, efficient ICT technology platform, and nationwide coverage. This would allow GULF to leverage and expand its upcoming 'smart' ventures, including the smart grid, data center and the electricity market in the future.

Exhibit 26: 5G and smart grid



Source: “5G Network Slicing Enabling the Smart Grid” by China Telecom Beijing Research Institute

Exhibit 27: AIS data center network



Source: AIS

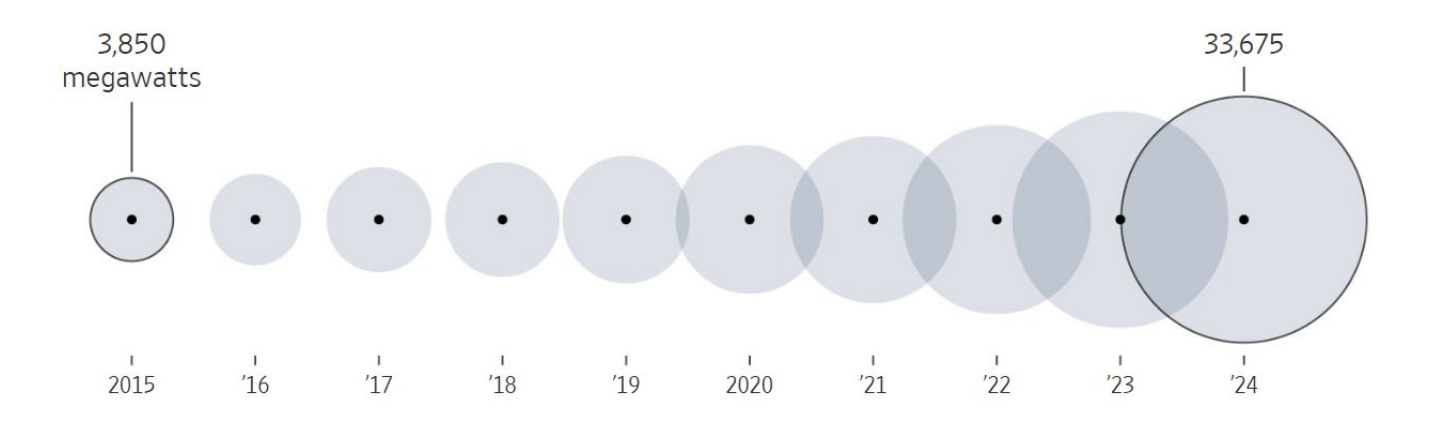
High growth potential for Data Center and Cloud business

AI data centers require many times more power than traditional data centers

AI data centers consume significantly more energy than past-generation data centers because AI chips – particularly GPUs – require a stable and highly reliable power supply to function. Even brief power disruptions can damage "training runs," which are processes where AI models improve by analyzing massive datasets. For large models, a single training run can cost tens or even hundreds of millions of US dollars.

Since 2015, the amount of electricity ordered by data centers in the United States and Canada from power utilities has increased by nearly 900%, reaching 33,675 MW in 2024 – equivalent to the entire electricity demand of Thailand.

Exhibit 28: Commissioned power for US and Canadian data centers, yearly



Sources: datacenterHawk, WSJ – 2024 figure is a full-year projection

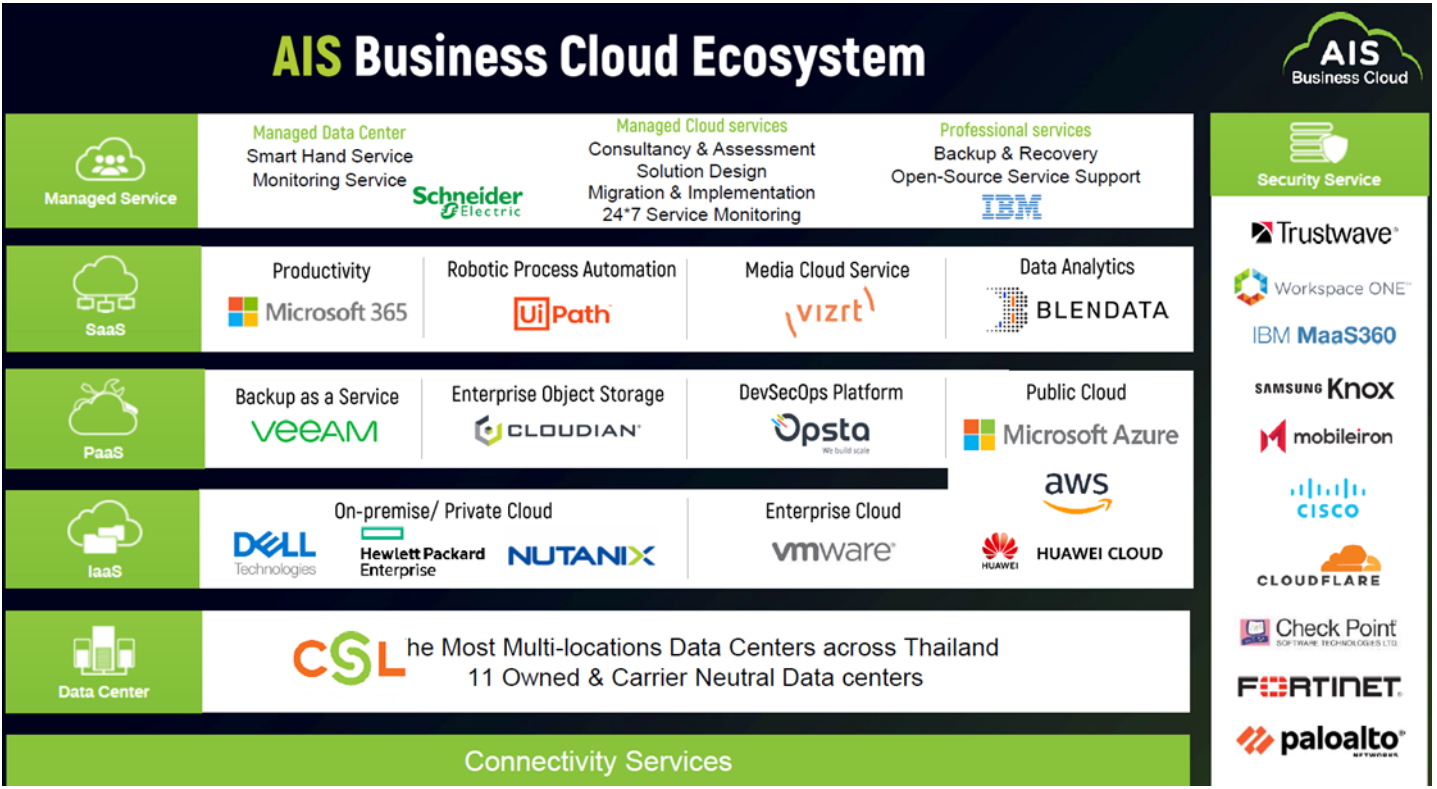
GULF, in collaboration with Singtel and ADVANC, established a joint venture company named GSA Data Center Company Limited (“GSA DC”) with the objective to respond to the rising demand of domestic and international customers, for international standard data management and storage services. The data center is currently under construction with a capacity of 25 MW in the first phase, which is scheduled for a gradual COD from April 2025.

Exhibit 29: ADVANC’s data center interconnection with high speed network



Source: ADVANC

Exhibit 30: ADVANC’s cloud ecosystem with data centers as one critical component



Source: ADVANC

Exhibit 31: Data center operators in Thailand

Data center operator	No. of racks (racks)	Price (THB m)	Price per rack (THB m/rack)	Rental cost (THB m/rack)
INET	492	4,300	8.74	0.74
ITEL	164	750	4.57	
WHA	700	6,000	8.57	
ADVANC	5,000	30,000	6.00	

Sources: Companies; FSSIA estimates

Exhibit 32: Financial analysis of GULF’s potential upside from Data Center Phase I

	No. of racks (rack)	Price (THB m)	Price per rack (THB m/rack)	Rental revenue (THB m/rack)	NPV (THB m)
JDA	5,000	33,000	7.00	3,700	11,297
Assumptions		Unit			
Rental revenue	1	THB m/rack			
Long-term growth rate	2	%			
WACC	5.3	%			
GUFL's stake in JDA	40	%			
NPV	11,297	THB m			
GULF's value	4,880	THB m			
Value to GULF	0.33	THB/share			

Sources: GULF; FSSIA estimates

The fundamental price of GULF; at approximately THB57.7

We believe this strategic amalgamation is poised to position the new entity as a leader in both the energy and digital sectors, leveraging combined resources and expertise to drive future growth and innovation. Therefore, the final valuation of GULF (NewCo) will depend on various factors, including market dynamics and the successful execution of the amalgamation plan.

Currently, we estimate GULF (NewCo)'s market capitalization to be approximately THB845b. This variance in valuation stems from different analytical perspectives.

However, calculating the implied price of GULF (NewCo) involves evaluating its combined value based on the individual valuations of GULF and INTUCH, without their respective ownership stakes and any synergies, resulting in an estimated share price for GULF of THB48-48.26, derived from:

- GULF's last stock share price closed at THB49.75.
- INTUCH's last stock share price closed at THB81.50.

Exhibit 33: GULF's estimated share price, based on market cap and swap ratio

Category	Value (THB b)
Market cap of GULF at last price of THB49.75	583
Market cap of INTUCH at last price of THB81.50	261
GULF's market cap (NewCo)	845
Total shares from GULF (billion shares) (NewCo) (million shares)	17,512
GULF's share price (THB/share)	48.26

Source: FSSIA estimates

Valuation

We recommend BUY on GULF with a SoTP-based TP of THB57.7, implying a market capitalization of THB1.2tr, which is one of the top three largest market capitalizations on the SET.

We think the amalgamation between GULF and INTUCH is a rational move to strengthen its short-term earnings growth outlook and enhance its long-term growth platform, leveraging the confluence of 5G technology, big data and information platforms that should allow it to stay ahead of the industry and capitalize on future growth opportunities. We believe the Sum-of-the-Parts method is the best method to value GULF, as there are a lot of infrastructure projects and long-term contracts for power plant projects. In particular, we value most of its projects via DCF method with a WACC of 5.3%, based on a 2.5% risk-free rate, risk premium at 8%, and cost of debt at 3.8%, and have already incorporated its long-term investment portfolio, as shown in the tables below.

Exhibit 34: GULF's WACC for DCF-based valuation

Cost of equity assumptions	(%)	Cost of debt assumptions	(%)
Risk-free rate	2.5%	Pretax cost of debt	3.8%
Market risk premium	8.0%	Marginal tax rate	20%
Stock beta	1.00		
Cost of equity	11%	Net cost of debt	3%
Weight applied	30%	Weight applied	70%
WACC (%)	5.3%		

Sources: GULF, FSSIA estimate

Exhibit 35: GULF's SoTP, DCF-based valuation

SOTP valuation	% holding	(THB)	(THB/share)	Comment
Consolidated projects				
GMP (12 SPPs)	58%	81,953	5.5	DCF
IPP (5 GW)	70%	82,049	5.5	DCF
Solar - TH	100%	25,000	1.7	DCF
Wind - TH	100%	13,742	0.9	DCF
Waste to energy - TH	100%	1,344	0.1	DCF
Solar - VN	90%	4,345	0.3	DCF
Mekong Wind	95%	6,030	0.4	DCF
GULF 1	80%	6,939	0.5	DCF
Equity holdings				
Power				
GJP (IPP & SPP)	40%	152,727	10.2	DCF
Hin Kong Power	49%	29,048	1.9	DCF
Burapa Power	35%	9,683	0.6	DCF
Gas - Oman	49%	9,883	0.7	DCF
GULF GUNKUL (GGC)	50%	22,892	1.5	DCF
Wind - Germany	25%	5,387	0.4	DCF
Gas - US	49%	16,516	1.1	DCF
Pak Lay	40%	17,985	1.2	DCF
Pak Beng	49%	25,085	1.7	DCF
Luang Prabang	20%	22,019	1.5	DCF
SPCG	9%	720	0.0	Current price of THB7.60/share
Gas business				
PTT NGD	42%	2,830	0.2	1.2x book value
GULF WHA MT	35%	151	0.0	1.2x book value
Infrastructure				
Laem Chabang Ph. 3	40%	11,518	0.8	DCF
MTP - LNG Terminal	70%	30,919	2.1	DCF
Thai Tank Terminal (TTT)	29%	2,520	0.2	1.2x book value
KBANK	3%	13,860	0.9	FSSIA's target price of THB180/share
THCOM	41%	6,313	0.4	Bloomberg consensus target price of THB 14/share
One Bangkok	13%	714	0.0	DCF
Digital				
ADVANC	40%	372,841	25.0	Bloomberg consensus target price of THB310/share
Digital currency exchange	51%	4,200	0.3	Assume 50% market share of the market discount lower trading volume by 50%
Data center	40%	4,880	0.3	Target 150 MW in 10 years, at IRR 11%
Net debt		(121,853)	(8.2)	
Total		862,242	57.7	

Sources: GULF, FSSIA estimate

Financial Statements

Gulf Development

Profit and Loss (THB m) Year Ending Dec	2023*	2024*	2025E	2026E	2027E
Revenue	114,054	120,888	137,518	144,466	148,286
Cost of goods sold	(92,022)	(97,143)	(112,343)	(118,081)	(120,027)
Gross profit	22,033	23,746	25,175	26,384	28,259
Other operating income	-	-	-	-	-
Operating costs	(4,096)	(4,207)	(4,957)	(5,032)	(5,109)
Operating EBITDA	22,118	24,113	26,068	28,171	30,888
Depreciation	(4,181)	(4,575)	(5,850)	(6,819)	(7,738)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	17,937	19,539	20,218	21,352	23,150
Net financing costs	(8,689)	(8,904)	(8,482)	(8,442)	(8,384)
Associates	11,972	15,891	20,533	24,406	26,373
Recurring non-operating income	15,852	16,640	20,816	24,991	27,073
Non-recurring items	0	0	0	0	0
Profit before tax	25,100	27,275	32,552	37,902	41,839
Tax	(658)	(682)	(721)	(810)	(928)
Profit after tax	24,441	26,593	31,831	37,092	40,911
Minority interests	(6,519)	(5,210)	(6,236)	(7,267)	(8,015)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	17,923	21,383	25,595	29,825	32,896
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	17,923	21,383	25,595	29,825	32,896
Per share (THB)					
Recurring EPS *	1.20	1.43	1.71	2.00	2.20
Reported EPS	1.20	1.43	1.71	2.00	2.20
DPS	0.00	0.00	0.86	1.00	1.10
Diluted shares (used to calculate per share data)	14,940	14,940	14,940	14,940	14,940
Growth					
Revenue (%)	21.1	6.0	13.8	5.1	2.6
Operating EBITDA (%)	(2.9)	9.0	8.1	8.1	9.6
Operating EBIT (%)	1.3	8.9	3.5	5.6	8.4
Recurring EPS (%)	41.8	19.3	19.7	16.5	10.3
Reported EPS (%)	57.0	19.3	19.7	16.5	10.3
Operating performance					
Gross margin inc. depreciation (%)	19.3	19.6	18.3	18.3	19.1
Gross margin exc. depreciation (%)	23.0	23.4	22.6	23.0	24.3
Operating EBITDA margin (%)	19.4	19.9	19.0	19.5	20.8
Operating EBIT margin (%)	15.7	16.2	14.7	14.8	15.6
Net margin (%)	15.7	17.7	18.6	20.6	22.2
Effective tax rate (%)	5.0	6.0	6.0	6.0	6.0
Dividend payout on recurring profit (%)	-	-	50.0	50.0	50.0
Interest cover (X)	3.9	4.1	4.8	5.5	6.0
Inventory days	-	-	-	-	-
Debtor days	64.3	60.3	59.0	73.9	90.0
Creditor days	35.1	30.5	22.4	23.4	23.8
Operating ROIC (%)	(3.7)	(3.9)	(21.4)	(34.0)	(45.3)
ROIC (%)	(1.1)	(1.1)	(7.4)	(14.8)	(22.6)
ROE (%)	5.5	6.5	7.4	8.1	8.6
ROA (%)	3.4	3.6	3.0	2.5	1.8

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2023*	2024*	2025E	2026E	2027E
Power business	100,713	105,316	122,239	128,385	130,206
Consulting business	13,341	15,572	15,279	16,081	18,081
Others	-	-	-	-	-

Note: *Pro forma Consolidated Financial Information

Sources: Gulf Development; FSSIA estimates

Financial Statements

Gulf Development

Cash Flow (THB m) Year Ending Dec	2023*	2024*	2025E	2026E	2027E
Recurring net profit	17,923	21,383	25,595	29,825	32,896
Depreciation	4,181	4,575	5,850	6,819	7,738
Associates & minorities	11,972	15,891	20,533	24,406	26,373
Other non-cash items	-	-	-	-	-
Change in working capital	(941)	(3,018)	(4,482)	(6,292)	(7,007)
Cash flow from operations	33,135	38,831	47,496	54,758	60,000
Capex - maintenance	(4,321)	(4,322)	(5,330)	(5,955)	(6,580)
Capex - new investment	(20,523)	(30,676)	(29,092)	(19,909)	(19,579)
Net acquisitions & disposals	(46,444)	(31,597)	0	0	0
Other investments (net)	(4,916)	(6,542)	20,716	24,591	26,673
Cash flow from investing	(76,204)	(73,136)	(13,705)	(1,273)	514
Dividends paid	0	0	0	(12,797)	(14,913)
Equity finance	0	0	0	0	0
Debt finance	4,108	1,593	0	0	0
Other financing cash flows	(3,916)	(2,592)	1,830	1,817	1,801
Cash flow from financing	192	(1,000)	1,830	(10,980)	(13,112)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	38,550	32,149	0	0	0
Net other adjustments	38,550	32,149	(36,744)	(43,447)	(46,731)
Movement in cash	(4,327)	(3,156)	(1,123)	(943)	671
Free cash flow to firm (FCFF)	(33,250.19)	(23,092.68)	44,953.25	64,498.79	71,379.48
Free cash flow to equity (FCFE)	(4,327.46)	(3,156.24)	(1,122.84)	11,854.66	15,583.72

Per share (THB)

FCFF per share	(2.23)	(1.55)	3.01	4.32	4.78
FCFE per share	(0.29)	(0.21)	(0.08)	0.79	1.04
Recurring cash flow per share	2.28	2.80	3.48	4.09	4.49

Balance Sheet (THB m) Year Ending Dec	2023*	2024*	2025E	2026E	2027E
Tangible fixed assets (gross)	121,812	121,813	146,813	171,813	196,813
Less: Accumulated depreciation	(22,255)	(22,254)	(27,584)	(33,538)	(40,118)
Tangible fixed assets (net)	99,557	99,559	119,229	138,275	156,695
Intangible fixed assets (net)	5,960	5,567	5,467	5,367	5,267
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	396,772	398,368	398,368	398,368	398,368
Cash & equivalents	30,984	27,828	26,705	25,763	26,434
A/C receivable	21,165	18,778	25,654	32,877	40,291
Inventories	0	0	0	0	0
Other current assets	15,497	18,573	21,128	22,195	22,782
Current assets	67,646	65,178	73,487	80,835	89,507
Other assets	110,515	144,499	144,499	144,499	144,499
Total assets	680,449	713,171	741,050	767,343	794,336
Common equity	327,503	331,995	357,589	374,617	392,600
Minorities etc.	28,118	29,689	35,925	43,192	51,207
Total shareholders' equity	355,621	361,683	393,514	417,808	443,807
Long term debt	120,160	113,305	113,305	113,305	113,305
Other long-term liabilities	129,684	157,502	157,502	157,502	157,502
Long-term liabilities	249,843	270,807	270,807	270,807	270,807
A/C payable	9,391	6,072	6,985	7,298	7,365
Short term debt	27,928	36,375	36,375	36,375	36,375
Other current liabilities	28,344	29,334	33,369	35,055	35,982
Current liabilities	65,663	71,781	76,729	78,728	79,722
Total liabilities and shareholders' equity	671,127	704,271	741,050	767,343	794,336
Net working capital	(1,073)	1,945	6,427	12,719	19,726
Invested capital	611,730	649,938	673,991	699,228	724,555

* Includes convertibles and preferred stock which is being treated as debt

Per share (THB)

Book value per share	21.92	22.22	23.94	25.08	26.28
Tangible book value per share	21.52	21.85	23.57	24.72	25.93

Financial strength

Net debt/equity (%)	32.9	33.7	31.3	29.7	27.8
Net debt/total assets (%)	17.2	17.1	16.6	16.1	15.5
Current ratio (x)	1.0	0.9	1.0	1.0	1.1
CF interest cover (x)	2.9	4.1	4.3	4.8	5.2

Valuation	2023*	2024*	2025E	2026E	2027E
Recurring P/E @ target price (x) *	48.1	40.3	33.7	28.9	26.2
EV/EBITDA @ target price (x) **	45.5	42.0	39.2	36.5	33.6

* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income

Note: *Pro forma Consolidated Financial Information; Sources: Gulf Development; FSSIA estimates

Disclaimer for ESG scoring

ESG score	Methodology	Rating																			
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																			
SET ESG Ratings List (SETESG) by The Stock Exchange of Thailand (SET)	SET ESG quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for SETESG inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETESG Index is extended from the SET ESG Ratings companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																			
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																			
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																			
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																			
Morningstar Sustainabilitys	The Sustainabilitys' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+									
NEGL	Low	Medium	High	Severe																	
0-10	10-20	20-30	30-40	40+																	
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																			
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="3">Average:</td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</td></tr><tr><td>CCC</td><td>0.000-1.428</td><td>Laggard:</td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities																		
AA	7.143-8.570																				
A	5.714-7.142																				
BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers																		
BB	2.857-4.285																				
B	1.429-2.856																				
CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks																		
Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																				
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																				
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																				
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																			
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																			

[Rating](#) regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Songklod Wongchai FSS International Investment Advisory Securities Co., Ltd

The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

This report has been prepared by FSS International Investment Advisory Securities Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSSIA makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSSIA has no intention to solicit investors to buy or sell any security in this report. In addition, FSSIA does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

Company	Ticker	Price	Rating	Valuation & Risks
Gulf Development	GULF TB		BUY	The downside risks to our SoTP-based TP for GULF include 1) a lower-than-expected Ft; 2) a higher-than-expected gas cost; and 3) delays in project commercial operation dates.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on, unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.