

# GULF DEVELOPMENT

THAILAND / UTILITIES

## GULF TB

**BUY**  
UNCHANGED

## Robust growth in 2Q25E

- Expect 2Q25 net profit to rise q-q and y-y, driven by a rising share of profit from ADVANC, a higher dividend from KBANK and an FX gain.
- Maintain our 2025 core profit forecast at THB25.6b, +20% y-y, but revise up our net profit estimate to THB80b to reflect a THB55b one-time gain from the amalgamation.
- Attractive valuation; our SoTP-based TP is THB59.50.

TARGET PRICE	THB59.50
CLOSE	THB46.50
UP/DOWNSIDE	+28.0%
PRIOR TP	THB57.70
CHANGE IN TP	+3.1%
TP vs CONSENSUS	-3.0%

### KEY STOCK DATA

YE Dec (THB m)	2024*	2025E	2026E	2027E
Revenue	120,888	137,518	144,466	148,286
Net profit	21,383	80,595	29,825	32,896
EPS (THB)	1.43	5.39	2.00	2.20
vs Consensus (%)	-	-	2.2	3.6
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
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	19.3	19.7	16.5	10.3
Core P/E (x)	32.5	27.1	23.3	21.1
Dividend yield (%)	-	1.8	2.1	2.4
EV/EBITDA (x)	35.1	32.7	30.6	28.1
Price/book (x)	2.1	1.9	1.9	1.8
Net debt/Equity (%)	33.7	31.3	29.7	27.8
ROE (%)	6.5	7.4	8.1	8.6

### Robust 2Q25E performance

We forecast a 2Q25 core profit of THB7.3b, up from THB5.2b in 1Q25, mainly due to due to the NewCo established on 1 April 2025, resulting in GULF's holdings in ADVANC rising from 19% to 40.44%. Thus, its share of profit should jump to THB4.2b from THB3b in 1Q25. In addition, we expect GULF to book an unrealized FX gain of THB550m from THB appreciation and dividend income from KBANK of cTHB1b. While SPP margins (14% of total capacity) should remain stable, supported by lower Ft and fuel costs, renewable energy earnings may soften due to seasonal effects. However, this should be offset by stronger IPP performance, driven by increased electricity production. Moreover, we expect GULF to book a one-time gain from amalgamation (bargain purchase of ADVANC), estimated at THB55b (non-cash item) in this quarter. Excluding FX and extra-items, we anticipate a 2Q25 net profit of THB62b vs THB5.39b in 1Q25.

### Strong growth momentum in 2H25E

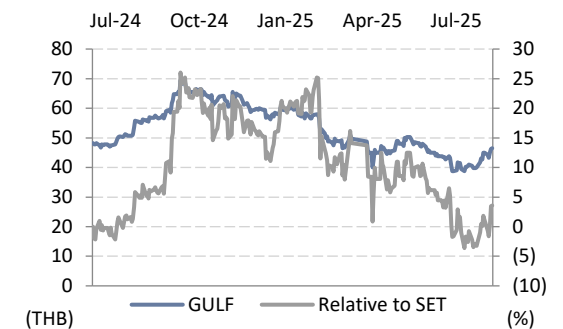
We believe GULF's earnings momentum should continue to be strong h-h in 2H25, driven by new capacity of 640MW, COD in 2H25. Meanwhile, SPP margins should remain stable or soften a bit due to the stable tariff and slightly higher fuel costs. Despite the Ft remaining at THB0.197/kWh, a low level until the end of the year, it could be partly offset by a softer gas pool price, since GULF plans to import more LNG in the future at a lower LNG price. In addition, we expect ADVANC's earnings to be stronger in 2H25 on expanding ARPU with strong demand from customers.

### Retain our 2025 core profit growth forecast by 19.7% y-y

If 2Q25 results are in line with our estimate, 1H25 net profit would account for 51% of our 2025 full-year net profit forecast, as there was one-time gain from amalgamation, estimated at THB55b in 2Q25. Hence, we have revised up our forecast for 2025 net profit to THB80b, while we retain our core earnings estimate of 19.7% y-y growth, driven by 1) a higher share of profit from GULF's holding in ADVANC, rising from 19% to 40.44%, and 1,477MW capacity will COD in 2025; and 3) a higher contribution from PTT NGD.

### Reiterate BUY with new TP THB59.50, including new acquisition

GULF raised its stake from 40% to 100% in Pak Lay Hydropower (770MW) in Laos, which we estimate adds THB1.8/share to its valuation. Additional acquisitions include: a 218MW wind farm (BSWPH), a 280MW solar farm from GUNKUL, and a 96MW investment in GWTE. We estimate these assets will contribute an additional THB0.2-0.3/share to GULF's SoTP valuation. As a result, we revise our SoTP-based target price up from THB57.7 to THB59.50.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	12.7	2.2	n/a
Relative to country (%)	2.6	(2.7)	n/a
Mkt cap (USD m)	21,467		
3m avg. daily turnover (USD m)	42.9		
Free float (%)	27		
Major shareholder	Mr. Sarath Ratanavadi (29%)		
12m high/low (THB)	n/a		
Issued shares (m)	14,940.00		

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



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### 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](http://www.gulf.co.th)

### Principal activities (revenue, 2024)

■ Power business - 87.1 %

■ Consulting business - 12.9 %

Source: Gulf Development

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### Major shareholders

■ Mr. Sarath Ratanavadi - 29.2 %

■ UBS AG/Singapore - 10.1 %

■ Gulf Capital Holdings Limited - 8.0 %

■ Others - 52.7 %

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
8 Aug 2025	2Q25 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

Exhibit 1: GULF - 2Q25 results preview

	2Q24	1Q25	2Q25E			2025E	% of 1H25E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(%)
Revenue	31,592	30,782	38,939	26.5	23.2	137,518	51
Operating costs	(25,575)	(24,375)	(31,216)	28.1	20.7	(106,493)	52
EBITDA	6,249	6,688	8,011	19.8	31.2	26,268	56
EBITDA margin (%)	19.8	21.7	20.6	(5.3)	6.5	19.1	nm
Depn & amort.	(1,137)	(1,288)	(1,288)	(0.0)	13.3	(5,850)	44
EBIT	5,112	5,400	6,723	24.5	35.3	20,218	60
Interest expense	(2,792)	(3,193)	(3,220)	0.9	23.5	(11,162)	57
Interest & invt income	823	756	765	1.2	32.8	-	n/a
Other income	101	776	986	27.0	836.8	200	881
Associates' contribution	3,041	3,067	4,200	36.9	134.8	20,533	35
Pretax profit	6,147	7,021	9,974	42.1	129.9	32,552	52
Tax	(191)	(340)	(598)	75.9	89.7	(721)	130
Net profit	4,741	5,395	61,723	1,054.4	1,680.0	80,595	84
Extra-item	-	-	55,000	n/a	n/a	55,000	
Non-recurring-include FX	244	195	551				
Core net profit	4,986	5,200	7,275	39.9	80.6	25,595	51

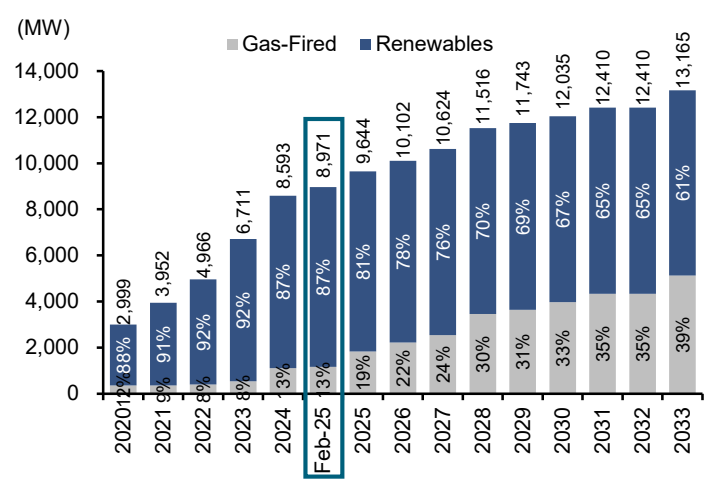
Note: The formation of NewCo is 1 April 2025 onward.  
Sources: GULF, FSSIA estimate

Exhibit 2: Long-term committed growth over the next decade



Sources: GULF; FSSIA estimate

Exhibit 3: Equity installed MW of committed projects



Source: GULF

## Attractive valuation, retain BUY

We have revised up our SoTP-based TP to THB59.50 from THB 57.70 as GULF has increased its stake in the Pak Lay Hydropower Plant (770 MW, COD in 2027) in Laos from 40% to 100%, which we estimate adds THB1.8/share to its valuation. Additional acquisitions include: a 218MW wind farm (BSWPH), a 280MW solar farm from GUNKUL, and a 96MW investment in GWTE (waste-to-energy). We estimate these assets will contribute an additional THB0.2–0.3/share to GULF's SoTP valuation.

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 4: 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 estimates

### Exhibit 5: GULF's SoTP, DCF-based valuation

SOTP valuation	% holding	(THB)	(THB/share)	Comment
<b>Consolidated projects</b>				
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
<b>Equity holdings</b>				
<b>Power</b>				
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	100%	17,985	3.0	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
<b>Gas business</b>				
PTT NGD	42%	2,830	0.2	1.2x book value
GULF WHA MT	35%	151	0.0	1.2x book value
<b>Infrastructure</b>				
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	4%	13,860	0.9	FSSIA's target price of THB180/share
THCOM	41%	6,313	0.4	Bloomberg consensus target price of THB14/share
One Bangkok	13%	714	0.0	DCF
<b>Digital</b>				
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)	
<b>Total</b>		<b>862,242</b>	<b>59.5</b>	

Sources: GULF, FSSIA estimates

## 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)
<b>Gross profit</b>	<b>22,033</b>	<b>23,746</b>	<b>25,175</b>	<b>26,384</b>	<b>28,259</b>
Other operating income	-	-	-	-	-
Operating costs	(4,096)	(4,207)	(4,957)	(5,032)	(5,109)
<b>Operating EBITDA</b>	<b>22,118</b>	<b>24,113</b>	<b>26,068</b>	<b>28,171</b>	<b>30,888</b>
Depreciation	(4,181)	(4,575)	(5,850)	(6,819)	(7,738)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>17,937</b>	<b>19,539</b>	<b>20,218</b>	<b>21,352</b>	<b>23,150</b>
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
<b>Profit before tax</b>	<b>25,100</b>	<b>27,275</b>	<b>32,552</b>	<b>37,902</b>	<b>41,839</b>
Tax	(658)	(682)	54,279	(810)	(928)
<b>Profit after tax</b>	<b>24,441</b>	<b>26,593</b>	<b>86,831</b>	<b>37,092</b>	<b>40,911</b>
Minority interests	(6,519)	(5,210)	(6,236)	(7,267)	(8,015)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>17,923</b>	<b>21,383</b>	<b>80,595</b>	<b>29,825</b>	<b>32,896</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>0</b>	<b>0</b>	<b>(55,000)</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>17,923</b>	<b>21,383</b>	<b>25,595</b>	<b>29,825</b>	<b>32,896</b>
<b>Per share (THB)</b>					
Recurring EPS *	1.20	1.43	1.71	2.00	2.20
Reported EPS	1.20	1.43	5.39	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
<b>Growth</b>					
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	276.9	(63.0)	10.3
<b>Operating performance</b>					
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)
<b>Cash flow from operations</b>	<b>33,135</b>	<b>38,831</b>	<b>47,496</b>	<b>54,758</b>	<b>60,000</b>
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
<b>Cash flow from investing</b>	<b>(76,204)</b>	<b>(73,136)</b>	<b>(13,705)</b>	<b>(1,273)</b>	<b>514</b>
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
<b>Cash flow from financing</b>	<b>192</b>	<b>(1,000)</b>	<b>1,830</b>	<b>(10,980)</b>	<b>(13,112)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	38,550	32,149	0	0	0
<b>Net other adjustments</b>	<b>38,550</b>	<b>32,149</b>	<b>(36,744)</b>	<b>(43,447)</b>	<b>(46,731)</b>
<b>Movement in cash</b>	<b>(4,327)</b>	<b>(3,156)</b>	<b>(1,123)</b>	<b>(943)</b>	<b>671</b>
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)
<b>Tangible fixed assets (net)</b>	<b>99,557</b>	<b>99,559</b>	<b>119,229</b>	<b>138,275</b>	<b>156,695</b>
<b>Intangible fixed assets (net)</b>	<b>5,960</b>	<b>5,567</b>	<b>5,467</b>	<b>5,367</b>	<b>5,267</b>
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
<b>Current assets</b>	<b>67,646</b>	<b>65,178</b>	<b>73,487</b>	<b>80,835</b>	<b>89,507</b>
Other assets	110,515	144,499	144,499	144,499	144,499
<b>Total assets</b>	<b>680,449</b>	<b>713,171</b>	<b>741,050</b>	<b>767,343</b>	<b>794,336</b>
Common equity	327,503	331,995	357,589	374,617	392,600
Minorities etc.	28,118	29,689	35,925	43,192	51,207
<b>Total shareholders' equity</b>	<b>355,621</b>	<b>361,683</b>	<b>393,514</b>	<b>417,808</b>	<b>443,807</b>
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
<b>Long-term liabilities</b>	<b>249,843</b>	<b>270,807</b>	<b>270,807</b>	<b>270,807</b>	<b>270,807</b>
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
<b>Current liabilities</b>	<b>65,663</b>	<b>71,781</b>	<b>76,729</b>	<b>78,728</b>	<b>79,722</b>
<b>Total liabilities and shareholders' equity</b>	<b>671,127</b>	<b>704,271</b>	<b>741,050</b>	<b>767,343</b>	<b>794,336</b>
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
<b>Recurring P/E (x) *</b>	<b>38.8</b>	<b>32.5</b>	<b>27.1</b>	<b>23.3</b>	<b>21.1</b>
<b>Recurring P/E @ target price (x) *</b>	<b>49.6</b>	<b>41.6</b>	<b>34.7</b>	<b>29.8</b>	<b>27.0</b>
Reported P/E (x)	38.8	32.5	8.6	23.3	21.1
Dividend yield (%)	-	-	1.8	2.1	2.4
Price/book (x)	2.1	2.1	1.9	1.9	1.8
Price/tangible book (x)	2.2	2.1	2.0	1.9	1.8
EV/EBITDA (x) **	38.0	35.1	32.7	30.6	28.1
EV/EBITDA @ target price (x) **	46.8	43.1	40.2	37.5	34.4
EV/invested capital (x)	1.4	1.3	1.3	1.2	1.2

\* 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 ( <a href="#">DJSI</a> ) 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 ( <a href="#">SETESG</a> ) by The Stock Exchange of Thailand ( <a href="#">SET</a> )	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 <b>SETESG inclusion</b> , 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. <b>SETESG Index</b> 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.																			
<b>CG Score</b> 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%).																			
<b>AGM level</b> 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&amp;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.																			
<a href="#">Thai CAC</a> 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.																			
<a href="#">Morningstar Sustainalytics</a>	The Sustainalytics' 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 &amp; 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+									
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<a href="#">ESG Book</a>	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.																			
<a href="#">MSCI</a>	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><b>AAA</b></td><td>8.571-10.000</td><td rowspan="3"><b>Leader:</b></td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td><b>AA</b></td><td>7.143-8.570</td></tr><tr><td><b>A</b></td><td>5.714-7.142</td></tr><tr><td><b>BBB</b></td><td>4.286-5.713</td><td rowspan="3"><b>Average:</b></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><b>BB</b></td><td>2.857-4.285</td></tr><tr><td><b>B</b></td><td>1.429-2.856</td></tr><tr><td><b>CCC</b></td><td>0.000-1.428</td><td><b>Laggard:</b></td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570	<b>A</b>	5.714-7.142	<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285	<b>B</b>	1.429-2.856	<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks
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<a href="#">Moody's ESG solutions</a>	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.																				
<a href="#">Refinitiv ESG rating</a>	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; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																				
<a href="#">S&amp;P Global</a>	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.																				
<b>Bloomberg</b>	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

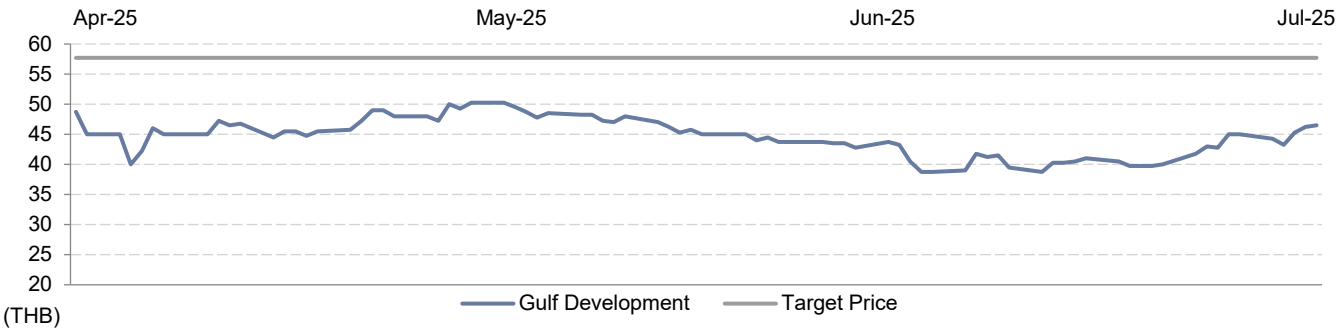
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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History of change in investment rating and/or target price

Gulf Development (GULF TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
02-Apr-2025	BUY	57.70				-	-	-

Songklod Wongchai started covering this stock from 02-Apr-2025

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Gulf Development	GULF TB	THB 46.50	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 25-Jul-2025 unless otherwise stated.



## RECOMMENDATION STRUCTURE

### Stock ratings

Stock ratings are based on absolute upside or downside, which we define as  $(\text{target price}^* - \text{current price}) / \text{current price}$ .

**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.