

Gulf Energy Development

(GULF.BK/GULF TB)*

Outperform · Maintained

Price as of 25 Jul 2023	48.50
12M target price (Bt/shr)	60.00
Unchanged/Revised up(down)(%)	Unchanged
Upside/downside (%)	23.7

Key messages

เราคำนวณกำไรสุทธิใน 2Q66F จะอยู่ที่ 2.9 พันล้านบาท (-23% QoQ, +94% YoY) และ กำไรหลักใน 2Q66F จะอยู่ที่ 3.7 พันล้านบาท (ทรงตัว QoQ, +19% YoY) เนื่องจาก margin ของ SPP แข็งแกร่งขึ้น และ รับรู้ผลการดำเนินงานของ IPPs (GSRC, GPD) เรายังคงคำแนะนำซื้อ GULF และประเมินราคาเป้าหมายปีนี้ที่ 60.00 บาท เราเชื่อว่าความกังวลที่ลดลงเกี่ยวกับสถานการณ์การเมืองในประเทศ, ราคาขายที่ลดลง และปัจจัยพื้นฐานที่แข็งแกร่ง จะเป็นปัจจัยกระตุ้นที่ทำให้ราคาหุ้นวิ่งขึ้นได้ในช่วงที่เหลือของปีนี้

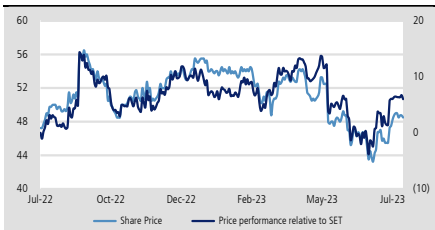
Trading data

Mkt cap (Btbn/US\$bn)	43.3/18.5
Outstanding shares (mn)	11,733
Foreign ownership (mn)	3,152
3M avg. daily trading (mn)	20
52-week trading range (Bt)	45.25-56.50
Performance (%)	3M 6M 12M
Absolute	-4.4 -10.2 3.2
Relative	-3.3 -1.6 5.0

Quarterly EPS

Bt	Q1	Q2	Q3	Q4
2021	0.14	0.12	0.14	0.26
2022	0.29	0.13	0.09	0.46
2023	0.33	0.25	-	-

Share price chart



Source: SET

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ประมาณการ 2Q66F: กำไรแกร่งตัวในช่วงสั้น

Event

ประมาณการ 2Q66F

Impact

ประมาณการ 2Q66F - ขาดทุนหนักจาก FX ในขณะที่ผลการดำเนินงานทรงตัว

วันที่ 10 ส.ค. เราคำนวณกำไรสุทธิ 2Q66F จะอยู่ที่ 2.9 พันล้านบาท (-23% QoQ, +94% YoY) เพราะถูกกดดันจากผลขาดทุนจาก FX ก่อนใหญ่ เราคำนวณกำไรหลักใน 2Q66F จะอยู่ที่ 3.7 พันล้านบาท (ทรงตัว QoQ, +19% YoY) ซึ่งจะทำได้จากธุรกิจหลักในงวด 1H66F เพิ่มขึ้นเป็น 7.3 พันล้านบาท (+16% YoY) คิดเป็น 46% ของประมาณการกำไรเต็มปีของเรา โดยสาเหตุสำคัญจะมาจากผลการดำเนินงานที่แข็งแกร่งขึ้นของ SPPs และการเริ่มเปิดดำเนินการเชิงพาณิชย์ของโครงการ IPPs.

ปัจจัยบวกหลักกลับไปกับปัจจัยลบ

เราคำนวณกำไรหลัก GULF ใน 2Q66F จากเดิมจะเพิ่มขึ้น QoQ กลับมาแกร่งตัว QoQ จากปัจจัยบวกและลบที่หักล้างกัน โดยปัจจัยบวกได้แก่ margin ของ SPP แข็งแกร่งขึ้น, รับรู้ GPD เฟส 1 (928) เริ่มไตรมาส ส่วนแบ่งกำไรเพิ่มขึ้นจาก INTUCH* (กำไร ADVANC* เพิ่มขึ้น) และ PTNGD (ราคาขายลดลง) ทั้งนี้ ราคาขายเฉลี่ยของ SPP ลดเหลือ 420 บาท/mmmbtu (-76 บาท) ขณะที่ค่า Fu เฉลี่ยเหลือ 1.12 บาท/kWh (-0.42 บาท) ทั้งนี้ยอดขายไฟฟ้าใหญ่โซไฟฟ้านิวเคลียร์ของ GULF ก่อนช่วงซัมเมอร์วันหยุดจะ ส่วนทางด้านของปัจจัยลบ ได้แก่ margin ของ IPP ลดลง (แทบไม่ได้น้ำมันดีเซลเลย), ผลการดำเนินงานของโครงการพลังลมอ่อนแอลงตามฤดูกาล (แรงลมต่ำ), ดอกเบี้ยสูงขึ้น, Jackson อ่อนแอลง (ราคาขายลดลง) และ SPPs บางโครงการปิดซ่อมบำรุงตามแผน ทั้งนี้ เมื่อเทียบกับ 2Q65 กำไรที่เพิ่มขึ้น YoY มาจากการฟื้นตัวของ margin ของ SPPs, การรับรู้เต็มปีจาก GSRC, และเริ่มรับรู้ GPD เฟส 1 (464MWe)

แนวโน้มผลได้สูงสุดในกลุ่มสาธารณูปโภคของไทย

เรายังคงประมาณการกำไรปี 2566F-2568F ที่คาดจะเติบโต 39% YoY/22% YoY/16% YoY โดยปัจจัยกระตุ้นที่สำคัญจะมาจากโรงไฟฟ้า, โครงสร้างพื้นฐาน และธุรกิจโทรคมนาคม ทั้งนี้ GULF มีกำลังการผลิตที่เปิดดำเนินการแล้ว 6,088MWe และยังมีกำลังการผลิตอีก 3,956MWe (+65%) ที่เตรียมจะเปิด COD ในปี 2566-2576 โดยบริษัทตั้งเป้าจะเพิ่มสัดส่วนโครงการพลังงานหมุนเวียนเป็น 40% ของกำลังการผลิตรวมในปี 2578 (จากปัจจุบันที่ 9%) เรายังคงคาดว่า ROE ของ GULF มีแนวโน้มเพิ่มขึ้นและจะอยู่ในช่วง 11-14% ในปี 2566-2568F ต่างกับหุ้นอื่นในกลุ่มที่ ROE มีแนวโน้มจะลดลง เราคำนวณผลประกอบการของ GULF ในงวด 2H66 จะแข็งแกร่งขึ้น HoH โดยจะได้รับแรงสนับสนุนจาก margin ที่แข็งแกร่งขึ้นของ SPP, การรับรู้ผลการดำเนินงานอย่างเต็มที่ของ GDP, และ high season ของโครงการพลังงานลม

Valuation & Action

เรายังคงคำแนะนำซื้อ GULF ด้วยราคาเป้าหมายปีนี้ที่ 60.00 บาท เราเชื่อว่าความกังวลที่ลดลงเกี่ยวกับสถานการณ์การเมืองในประเทศ, ราคาขายที่ลดลง และปัจจัยพื้นฐานที่แข็งแกร่ง จะเป็นปัจจัยกระตุ้นที่ทำให้ราคาหุ้นวิ่งขึ้นได้ในช่วงที่เหลือของปีนี้ นอกจากนี้ GULF ยังมีโครงการที่ชัดเจนรออยู่ใน pipeline และเราคำนวณว่าบริษัทจะได้อะไรใหม่ ๆ อีกเนื่องจากมี connection เหนือกว่าคู่แข่ง

Risks

ปิดซ่อมบำรุงนอกแผน, เกิดปัญหา cost overruns, ความผันผวนของอัตราแลกเปลี่ยน และอัตราดอกเบี้ย

Key financials and valuations

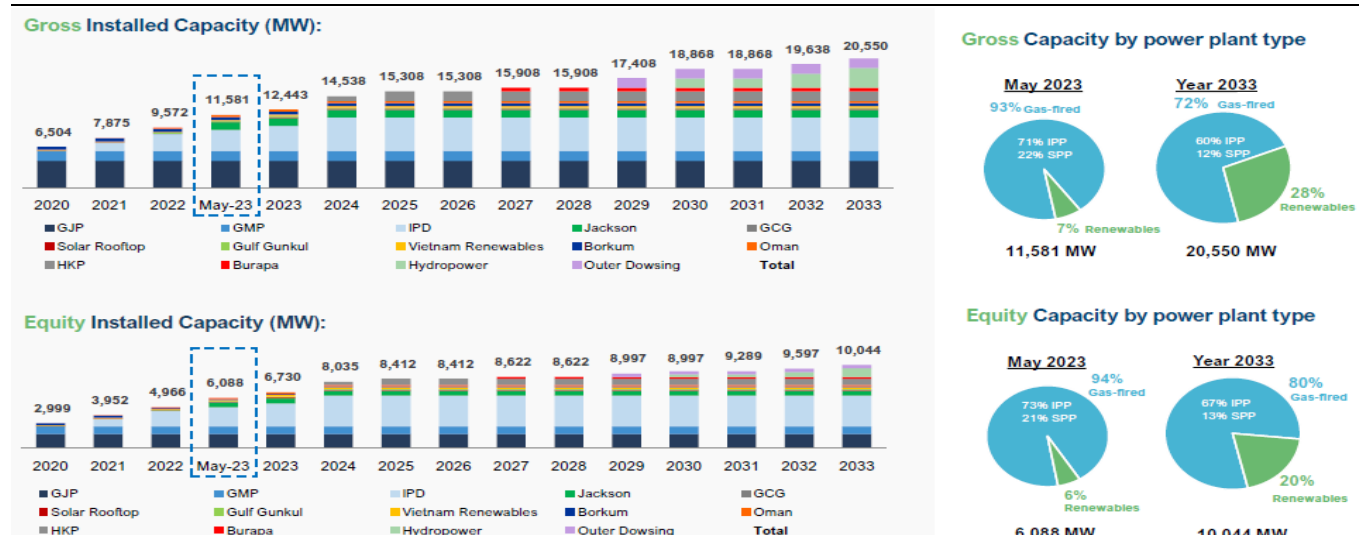
	Dec - 21A	Dec - 22A	Dec - 23F	Dec - 24F	Dec - 25F
Revenue (Btmn)	47,467	94,151	114,546	102,204	108,151
Net Profit (Btmn)	7,670	11,418	16,013	19,541	22,665
Normalized Profit (Btmn)	8,811	11,528	16,013	19,541	22,665
Net Profit Growth (%)	81.3	48.9	40.3	22.0	16.0
Normalized Profit Growth (%)	96.7	30.8	38.9	22.0	16.0
EPS (Bt)	0.65	0.97	1.36	1.67	1.93
DPS (Bt)	0.44	0.60	0.82	1.00	1.16
EPS Growth (%)	81.3	48.9	40.3	22.0	16.0
P/E (X)	74.2	49.8	35.5	29.1	25.1
P/B (X)	5.3	4.2	4.0	3.7	3.4
EV/EBITDA (X)	37.2	27.5	22.3	19.4	17.7
Net Debt to Equity (%)	197.9	156.6	152.4	145.7	135.5
Dividend Yield (%)	0.9	1.2	1.7	2.1	2.4
Return on Average Equity (%)	7.1	8.4	11.2	12.7	13.7

Source: Company data, KGI Securities Research

Figure 1: GULF's Q23F earnings preview

Bt mn	2Q23F	2Q22	YoY (%)	1Q23	QoQ (%)	1H23	1H22	YoY (%)	Comments (1H23 vs 1H22)
Revenue	27,097	23,004	17.8	26,413	2.6	53,510	43,632	22.6	(+) passthrough, commencing operation of GSRC's Unit 3-4, and GDP Unit 1-2
Gross Profit	5,517	4,437	24.3	5,311	3.9	10,828	9,000	20.3	
SG&A	942	639	47.4	742	27.0	1,684	1,190	41.4	(-) higher, in line with commencing operation of new IPP units
Operating Profit	4,940	3,896	26.8	5,151	(4.1)	10,091	7,942	27.1	
Operating EBITDA	5,954	5,138	15.9	6,104	(2.5)	12,058	10,430	15.6	
Non-Operating Income/(Expense)	(700)	(1,550)	N/A	182	(485.4)	(518)	(1,412)	63.3	(+) unrealised net Fx gains
Dividend Income	15	52	N/A	14	N/A	29	52	(44.3)	
Equity Income/(Loss)	2,158	2,035	6.0	2,038	5.9	4,196	3,819	9.9	(+) stronger INTUCH, JV of GGC, SPPs, PTINGD, against losses from Jackson
Interest expense	2,421	1,864	29.9	2,124	14.0	4,545	3,337	36.2	(-) higher financing cost from INTUCH, GSRC
Net Profit	2,974	1,531	94.3	3,850	(22.8)	6,824	4,925	38.5	
Normalized profit	3,674	3,081	19.3	3,668	0.2	7,342	6,338	15.9	
EPS (Bt)	0.25	0.13	94.3	0.33	(22.8)	0.58	0.42	38.5	
Normalized EPS (Bt)	0.31	0.26	19.3	0.31	0.2	0.63	0.54	15.9	
Percent	2Q23F	2Q22	YoY (ppts)	1Q23	QoQ (ppts)	1H23	1H22	YoY (ppts)	
Gross margin	20.4	19.3	(5.4)	20.1	0.3	20.2	20.6	(0.4)	(-) lower from lagging Ft rate adjustment
EBITDA margin	22.0	22.3	(5.2)	23.1	(1.1)	18.9	18.2	0.7	
SG&A/sales	3.5	2.8	(6.4)	2.8	0.7	3.1	2.7	0.4	
Assumptions	Change			Change			Change		
Ending US\$/THB	35.7	35.5	0.3	34.3	1.5	34.3	33.6	0.7	
Ending EUR/THB	39.0	37.2	1.8	37.6	1.5	37.6	38.3	(0.7)	
Avg. Ft rate (Bt/kWh)	1.12	0.17	1.0	1.55	(0.4)	39.86	-0.15	40.0	
SPP gas prices (Bt/mmbtu)	420	423	(2.7)	496	(76.4)	495	266	229	
IPP gas prices (Bt/mmbtu)	390	413	(23.4)	459	(69.3)	485	263	222	

Source: Company data, KGI Securities Research

Figure 2: Where is GULF so far...?


Source: Company data, KGI Securities Research

Figure 3: Key assumptions and valuation of GULF

	Unit	2021	2022	2023F	2024F	2025F
Effective capacity	MWe	3,951	4,902	6,670	7,975	8,352
Average Ft rate	Bt/kWh	-0.15	0.40	1.13	0.91	1.00
SPP gas prices	Bt/mmbtu	266	495	430	280	260
IPP gas prices	Bt/mmbtu	234	485	410	260	240
Ratio:						
GPM	Percent	27.6	20.6	15.1	20.1	22.4
EBITDA	Percent	44.3	30.2	30.8	39.9	41.4
NPM	Percent	16.2	12.1	14.0	19.1	21.0
Valuation						
	Bt/share	Avg. WACC				
Operating	36.82	5.1				
Developing	24.30	5.7				
Cash	6.15					
Debts	(6.81)					
Our DCF-based TP	60.00					
No. shares (mn)	11,733					

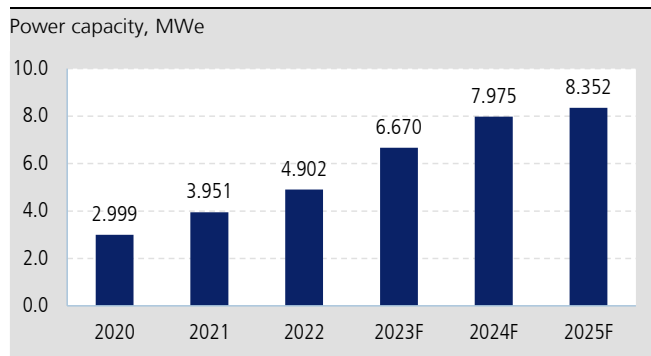
Source: KGI Securities Research

Figure 4: Company profile

Gulf Energy Development Public Company Limited (GULF) is one of the leading power producers in Thailand. During 2022-27, another 4.0GW is expected to commercialize, increasing its total effective capacity to 8.0GW. The company sells electricity to the Electricity Generating Authority of Thailand (EGAT) and industrial users in industrial estates through Independent Power Producer (IPP) and Small Power Producers (SPP) programs and sell electricity to the Provincial Electricity Authority (PEA) through Very Small Power Producers (VSPP) program.

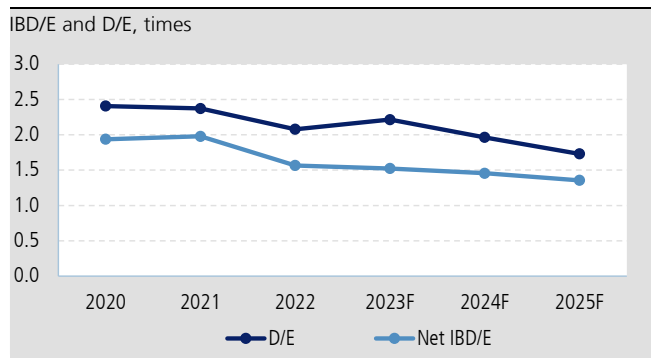
Source: Company data

Figure 6: Equity capacity to rise to 7.4GW in 2025F



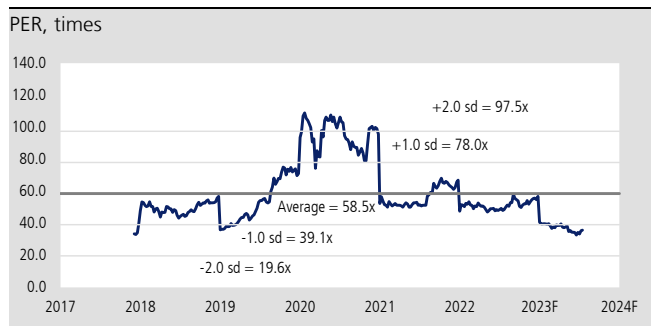
Source: Company data, KGI Securities Research

Figure 8: Heavy debt during development phase



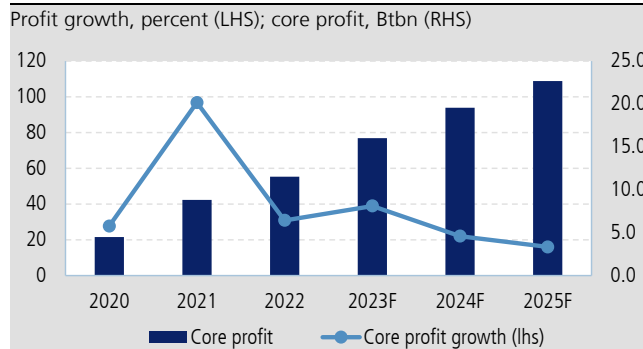
Source: Company data, KGI Securities Research

Figure 10: GULF's forward PER



Source: Company data, KGI Securities Research

Figure 5: Core profit to continue growing in 2023-25F



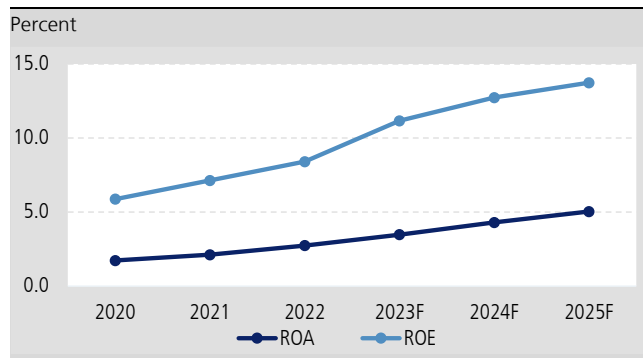
Source: Company data, KGI Securities Research

Figure 7: Expansion program

2018	2019	2020	2021	2022	2023	2024
GTS4 (Cogen)	GNL2 (Cogen)	GCG (Biomass)	GSRC unit1-2	GSRC unit3-4	GPD unit1-2	GPD unit3-4
GNC (Cogen)	GNPM (Cogen)	Wind VN #1	Duqm phase 1	Solar rooftop	Wind VN #2	Hin Kong#1
GBL (Cogen)	GNRV1 (Cogen)	Duqm phase 1	INTUCH	la Pech 1,2 (Wind)	Duqm phase 2-3	
GBP (Cogen)	GNRV2 (Cogen)	Borkum Wind			Jackson	
		Solar VN #1-3				

Source: Company data, KGI Securities Research

Figure 9: ROE and ROA – Outpacing peers



Source: Company data, KGI Securities Research

Figure 11: GULF's forward PBV



Source: Company data, KGI Securities Research

Quarterly Income Statement

	Mar-20A	Jun-20A	Sep-20A	Dec-20A	Mar-21A	Jun-21A	Sep-21A	Dec-21A	Mar-22A	Jun-22A	Sep-22A	Dec-22A	Mar-23A	Jun-23A
Income Statement (Bt mn)														
Revenue	7,869	7,773	7,876	9,309	9,035	11,242	11,903	15,287	20,628	23,004	23,631	26,888	26,413	27,097
Cost of Goods Sold	(5,962)	(5,958)	(5,839)	(5,943)	(6,029)	(8,525)	(8,944)	(10,890)	(16,065)	(18,567)	(18,931)	(21,148)	(21,101)	(21,580)
Gross Profit	1,907	1,814	2,037	3,367	3,006	2,716	2,959	4,397	4,562	4,437	4,700	5,740	5,311	5,517
Operating Expenses	(394)	(380)	(428)	(878)	(484)	(532)	(589)	(692)	(551)	(639)	(643)	(1,121)	(742)	(942)
Other incomes	37	111	374	21	696	88	1,702	31	35	98	75	718	581	365
Operating Profit	1,550	1,546	1,983	2,509	3,219	2,272	4,072	3,735	4,046	3,896	4,132	5,337	5,151	4,940
Depreciation of fixed assets	(722)	(718)	(770)	(1,221)	(1,201)	(1,245)	(1,271)	(1,272)	(1,246)	(1,242)	(1,277)	(1,298)	(954)	(1,014)
Operating EBITDA	2,272	2,264	2,754	3,730	4,420	3,517	5,343	5,007	5,291	5,138	5,409	6,635	6,104	5,954
Non-Operating Income	(1,338)	812	(715)	552	(1,440)	(56)	(2,386)	315	138	(1,602)	(1,105)	1,813	169	(715)
Interest Income	0	(81)	(360)	0	(683)	(62)	(1,681)	0	0	(52)	(24)	(0)	(14)	(15)
Other Non-op Income	(1,338)	892	(355)	552	(757)	5	(705)	315	138	(1,550)	(1,081)	1,813	183	(700)
Non-Operating Expenses	(823)	(836)	(966)	(1,040)	(932)	(1,174)	(1,753)	(1,737)	(1,473)	(1,864)	(2,036)	(2,279)	(2,124)	(2,421)
Interest Expenses	(823)	(836)	(966)	(1,040)	(932)	(1,174)	(1,753)	(1,737)	(1,473)	(1,864)	(2,036)	(2,279)	(2,124)	(2,421)
Other Non-op Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity Income/(Loss)	605	650	745	435	689	737	690	1,747	1,784	2,035	1,252	1,594	2,038	2,158
Pre-tax Profit	(5)	2,172	1,048	2,456	1,536	1,779	624	4,061	4,495	2,465	2,243	6,465	5,234	3,962
Current Taxation	13	27	21	(167)	(141)	193	(91)	(308)	(448)	(146)	(572)	(179)	(186)	159
Minorities	(421)	(398)	(458)	(496)	(446)	(628)	(626)	(710)	(653)	(840)	(609)	(880)	(1,212)	(1,162)
Extraordinary items	0	0	0	0	0	0	0	0	0	0	0	570	(1)	0
Net Profit	(413)	1,881	970	1,792	1,632	1,407	1,588	3,043	3,395	1,531	1,086	5,406	3,850	2,974
Normalized Profit	925	988	1,326	1,240	2,389	1,401	2,293	2,728	3,257	3,081	2,167	3,023	3,668	3,674
EPS (Bt)	(0.04)	0.16	0.08	0.15	0.14	0.12	0.14	0.26	0.29	0.13	0.09	0.46	0.33	0.25
Normalized EPS (Bt)	0.08	0.08	0.11	0.11	0.20	0.12	0.20	0.23	0.28	0.26	0.18	0.26	0.31	0.31
Margins														
Gross profit margin	24.2	23.3	25.9	36.2	33.3	24.2	24.9	28.8	22.1	19.3	19.9	21.3	20.1	20.4
Operating EBIT margin	19.7	19.9	25.2	27.0	35.6	20.2	34.2	24.4	19.6	16.9	17.5	19.8	19.5	18.2
Operating EBITDA margin	28.9	29.1	35.0	40.1	48.9	31.3	44.9	32.8	25.7	22.3	22.9	24.7	23.1	22.0
Net profit margin	(5.3)	24.2	12.3	19.3	18.1	12.5	13.3	19.9	16.5	6.7	4.6	20.1	14.6	11.0
Growth (QoQ)														
Revenue growth	(1.7)	(1.2)	1.3	18.2	(2.9)	24.4	5.9	28.4	34.9	11.5	2.7	13.8	(1.8)	2.6
Operating EBIT growth	7.2	(0.3)	28.3	26.5	28.3	(29.4)	79.2	(8.3)	8.3	(3.7)	6.0	29.2	(3.5)	(4.1)
Operating EBITDA growth	6.6	(0.4)	21.6	35.5	18.5	(20.4)	51.9	(6.3)	5.7	(2.9)	5.3	22.7	(8.0)	(2.5)
Net profit growth	(145.7)	(555.1)	(48.4)	84.7	(8.9)	(13.8)	12.9	91.6	11.5	(54.9)	(29.1)	397.9	(28.8)	(22.8)
Normalized profit growth	37.8	6.9	34.1	(6.4)	92.6	(41.3)	63.7	19.0	19.4	(5.4)	(29.7)	39.5	21.4	0.2

Source: KGI Securities Research

Balance Sheet

As of 31 Dec (Bt mn)	2021	2022	2023F	2024F	2025F
Total Assets	362,674	418,172	461,024	454,887	450,340
Current Assets	38,811	70,249	98,258	74,745	59,650
Cash & ST Investments	19,847	39,194	72,107	51,189	34,949
Inventories	1,303	1,561	1,945	1,632	1,678
Accounts Receivable	9,569	18,999	16,609	14,820	15,682
Others	8,093	10,496	7,597	7,103	7,341
Non-current Assets	323,863	347,923	362,766	380,142	390,691
LT Investments	130,221	142,006	142,106	153,876	164,879
Net fixed Assets	130,128	99,555	119,428	123,975	122,337
Others	63,514	106,362	101,233	102,291	103,474
Total Liabilities	255,165	282,370	317,610	301,414	285,391
Current Liabilities	35,016	51,868	37,369	42,719	37,107
Accounts Payable	3,080	7,484	5,727	5,110	5,407
ST Borrowings	9,998	6,669	5,335	4,268	3,415
Others	21,938	37,715	26,307	33,340	28,285
Long-term Liabilities	220,148	230,502	280,241	258,695	248,284
Long-term Debts	203,296	219,108	268,846	247,301	236,890
Others	16,853	11,394	11,394	11,394	11,394
Shareholders' Equity	107,509	135,802	143,414	153,473	164,949
Common Stock	11,733	11,733	11,733	11,733	11,733
Capital Surplus	51,822	51,822	51,822	51,822	51,822
Retained Earnings	35,980	41,887	48,292	56,108	65,174
Preferred Stock	0	0	0	0	0

Source: KGI Securities Research

Key Ratios

Year to 31 Dec	2021	2022	2023F	2024F	2025F
Growth (% YoY)					
Sales	44.6	98.3	21.7	(10.8)	5.8
OP	75.2	30.9	(14.5)	21.3	20.2
EBITDA	59.1	35.4	24.0	15.5	9.9
NP	81.3	48.9	40.3	22.0	16.0
Normalized Profit	96.7	30.8	38.9	22.0	16.0
EPS	81.3	48.9	40.3	22.0	16.0
Normalized EPS	96.7	30.8	38.9	22.0	16.0
Profitability (%)					
Gross Margin	27.6	20.6	15.1	20.1	22.4
Operating Margin	28.0	18.5	13.0	17.7	20.1
EBITDA Margin	44.3	30.2	30.8	39.9	41.4
Net Profit Margin	16.2	12.1	14.0	19.1	21.0
ROAA	2.1	2.7	3.5	4.3	5.0
ROAE	7.1	8.4	11.2	12.7	13.7
Stability					
Gross Debt/Equity (%)	2.4	2.1	2.2	2.0	1.7
Net Debt/Equity (%)	2.0	1.6	1.5	1.5	1.4
Interest Coverage (x)	2.9	3.1	3.3	3.8	4.5
Interest & ST Debt Coverage (x)	1.0	1.6	2.0	2.5	3.1
Cash Flow/Interest & ST Debt (x)	2.5	1.5	2.6	2.5	2.7
Cash Flow/Interest & ST Debt (x)	0.9	0.8	1.5	1.6	1.9
Current Ratio (x)	1.1	1.4	2.6	1.7	1.6
Quick Ratio (x)	1.1	1.3	2.6	1.7	1.6
Net Debt (Bt mn)	212,740	212,671	218,492	223,577	223,553
Per Share Data (Bt)					
EPS	0.7	1.0	1.4	1.7	1.9
Normalized EPS	0.8	1.0	1.4	1.7	1.9
CFPS	1.2	1.0	1.8	1.7	1.8
BVPS	9.2	11.6	12.2	13.1	14.1
SPS	4.0	8.0	9.8	8.7	9.2
EBITDA/Share	1.8	2.4	3.0	3.5	3.8
DPS	0.4	0.6	0.8	1.0	1.2
Activity					
Asset Turnover (x)	0.1	0.2	0.2	0.2	0.2
Days Receivables	73.6	73.7	52.9	52.9	52.9
Days Inventory	13.8	7.6	7.3	7.3	7.3
Days Payable	32.7	36.6	21.5	22.9	23.5
Cash Cycle	54.7	44.7	38.7	37.4	36.7
Keys drivers					
Effective capacity (MW)	3,951	4,902	6,670	7,975	8,352
Ft rate (Bt/kWh)	(0.15)	0.40	1.13	0.91	1.00
SPP gas prices (Bt/kWh)	266	495	430	280	260
IPP gas prices (Bt/kWh)	234	485	410	260	240

Source: KGI Securities Research

Profit & Loss

Year to 31 Dec (Bt mn)	2021	2022	2023F	2024F	2025F
Revenue	47,467	94,151	114,546	102,204	108,151
Cost of Goods Sold	(34,388)	(74,711)	(97,238)	(81,622)	(83,877)
Gross Profit	13,079	19,440	17,309	20,582	24,274
Operating Expenses	(2,297)	(2,955)	(2,718)	(2,820)	(2,858)
Other Incomes	2,516	925	298	298	298
Operating Profit	13,298	17,411	14,888	18,060	21,713
Depreciation of fixed assets	(4,989)	(5,063)	(8,936)	(9,738)	(10,138)
Operating EBITDA	21,011	28,458	35,294	40,771	44,789
Non-Operating Income	(1,141)	(680)	0	0	0
Interest Income	0	0	0	0	0
Other Non-op Income	(1,141)	(680)	0	0	0
Non-Operating Expenses	(5,596)	(7,652)	(8,063)	(8,151)	(7,784)
Interest Expenses	(5,596)	(7,652)	(8,063)	(8,151)	(7,784)
Other Non-op Expenses	0	0	0	0	0
Equity Income/(Loss)	3,864	6,665	11,470	12,973	12,938
Pre-tax Profit	10,426	15,744	18,295	22,882	26,867
Current Taxation	(347)	(1,344)	(1,074)	(1,099)	(1,792)
Minorities	(2,409)	(2,982)	(1,208)	(2,242)	(2,410)
Extraordinary items	0	0	0	0	0
Net Profit	7,670	11,418	16,013	19,541	22,665
Normalized Profit	8,811	11,528	16,013	19,541	22,665
EPS (Bt)	0.65	0.97	1.36	1.67	1.93
Normalized EPS (Bt)	0.75	0.98	1.36	1.67	1.93

Source: KGI Securities Research

Cash Flow

Year to 31 Dec (Bt mn)	2021	2022	2023F	2024F	2025F
Operating Cash Flow	14,015	11,278	20,752	20,306	20,789
Net Profit	7,670	11,418	16,013	19,541	22,665
Depreciation & Amortization	4,989	5,063	8,936	9,738	10,138
Change in Working Capital	3,952	(839)	6,065	1,758	(1,485)
Others	(2,596)	(4,363)	(10,263)	(10,730)	(10,528)
Investment Cash Flow	(78,206)	(25,205)	(18,174)	(15,910)	(9,577)
Net CAPEX	(5,399)	22,356	(28,809)	(14,285)	(8,500)
Change in LT Investment	(106,611)	(12,014)	(100)	(11,771)	(11,003)
Change in Other Assets	33,803	(35,548)	10,735	10,146	9,926
Free Cash Flow	(64,192)	(13,927)	2,577	4,396	11,212
Financing Cash Flow	68,128	33,277	30,336	(25,314)	(27,452)
Change in Share Capital	0	0	0	0	0
Net Change in Debt	77,198	19,462	38,737	(15,832)	(16,263)
Change in Other LT Liab.	(9,070)	13,815	(8,400)	(9,482)	(11,189)
Net Cash Flow	3,937	19,350	32,914	(20,918)	(16,240)

Source: KGI Securities Research

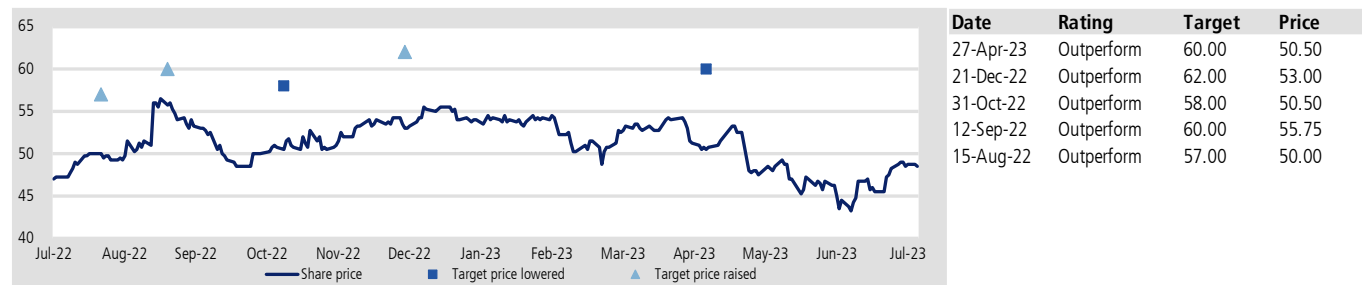
Rates of Return on Invested Capital

Year	1- COGS Revenue	+ Depreciation Revenue	+ Operating Exp. Revenue	= Operating Margin
2021	61.9%	10.5%	10.1%	17.4%
2022	74.0%	5.4%	4.1%	16.5%
2023F	77.1%	7.8%	2.6%	12.5%
2024F	70.3%	9.5%	3.1%	17.1%
2025F	68.2%	9.4%	2.9%	19.5%

Year	1/ Working Capital Revenue	+ Net PPE Revenue	+ Other Assets Revenue	= Capital Turnover
2021	0.1	2.7	4.9	0.1
2022	0.0	1.1	9.3	0.1
2023F	0.1	1.0	4.6	0.2
2024F	0.0	1.2	4.1	0.2
2025F	0.0	1.1	3.9	0.2

Year	Operating Margin	x Capital Turnover	x Cash Tax Rate	= After-tax Return on Inv. Capital
2021	17.4%	0.1	3.3%	0.1%
2022	16.5%	0.1	8.5%	0.1%
2023F	12.5%	0.2	5.9%	0.1%
2024F	17.1%	0.2	4.8%	0.2%
2025F	19.5%	0.2	6.7%	0.3%

Source: KGI Securities Research

Gulf Energy Development. – Recommendation & target price history


Source: KGI Securities Research

Corporate Governance Report of Thai Listed Companies



Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	EGCO	ELECTRICITY GENERATING	PTTEP	PTT EXPLORATION AND PRODUCTION
ADVANC	ADVANCED INFO SERVICE	GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL
AMA	AMA MARINE	GGC	GLOBAL GREEN CHEMICALS	PYLON	PYLON
AMATA	AMATA CORPORATION	GPSC	GLOBAL POWER SYNERGY	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	HANA	HANA MICROELECTRONICS	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
AOT	AIRPORTS OF THAILAND	HMPRO	HOME PRODUCT CENTER	RS	RS
AP	ASIAN PROPERTY DEVELOPMENT	INTUCH	SHIN CORPORATION	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	IRPC	IRPC	SCC	THE SIAM CEMENT
BCP	THE BANGCHAK PETROLEUM	IVL	INDORAMA VENTURES	SCCC	SIAM CITY CEMENT
BCPG	BCPG	KBANK	KASIKORN BANK	SEAFECO	SEAFECO
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KCE	KCE ELECTRONICS	SMPC	SAHAMITR PRESSURE CONTAINER
BEC	BEC WORLD	KKP	KIATNAKIN BANK	SPALI	SUPALAI
BEM	BANGKOK EXPRESSWAY AND METRO	KTB	KRUNG THAI BANK	SPRC	STAR PETROLEUM REFINING
BGRIM	B.GRIMM POWER	KTC	KRUNGTHAI CARD	SVI	SVI
BPP	BANPU POWER	LH	LAND AND HOUSES	TACC	T.A.C. CONSUMER
BTS	BTS GROUP HOLDINGS	LPN	L.P.N. DEVELOPMENT	TCAP	THANACHART CAPITAL
CENDEL	CENTRAL PLAZA HOTEL	MAKRO	SIAM MAKRO	THCOM	THAICOM
CK	CH. KARNCHANG	MBK	MBK	TISCO	TISCO FINANCIAL GROUP
CKP	CK POWER	MINT	MINOR INTERNATIONAL	TOP	THAI OIL
CPALL	CP ALL	MTC	MUANGTHAI CAPITAL	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	PLANB	PLAN B MEDIA	TTB	TMBTHANACHART BANK
CPN	CENTRAL PATTANA	PSH	PRUKSA HOLDING	VGI	VGI GLOBAL MEDIA
DELTA	DELTA ELECTRONICS (THAILAND)	PTG	PTG ENERGY	WHA	WHA CORPORATION
DTAC	TOTAL ACCESS COMMUNICATION	PTT	PTT	WHAUP	



Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	GULF	GULF ENERGY DEVELOPMENT	SAPPE	SAPPE
BBL	BANGKOK BANK	JMT	JMT NETWORK SERVICES	SAWAD	SRI SAWAD POWER 1979
CBG	CARABAO GROUP	LPH	LADPRAO GENERAL HOSPITAL	SINGER	SINGER THAILAND
CHG	CHULARAT HOSPITAL	M	MK RESTAURANT GROUP	SPA	SIAM WELLNESS GROUP
COM7	COM7	MAJOR	MAJOR CINEPLEX GROUP	TFG	THAIFOODS GROUP
DOHOME	DOHOME	MEGA	MEGA LIFESCIENCES	TKN	TAOKAENOI FOOD & MARKETING
ERW	THE ERAWAN GROUP	NETBAY	NETBAY	ZEN	ZEN CORPORATION GROUP
GLOBAL	SIAM GLOBAL HOUSE	OSP	OSOTSPA		



Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
BCH	BANGKOK CHAIN HOSPITAL	ESSO	ESSO (THAILAND)	SF	SIAM FUTURE DEVELOPMENT
BH	BUMRUNGRAD HOSPITAL	HUMAN	HUMANICA	SISB	SISB
EKH	EKACHAI MEDICAL CARE	RBF	R&B FOOD SUPPLY	TPCH	TPC POWER HOLDING

Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
IIG	I&I GROUP	OR	PTT OIL AND RETAIL BUSINESS	STGT	SRI TRANG GLOVES (THAILAND)
KEX	KERRY EXPRESS (THAILAND)	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION		

Source: www.thai-iod.com

Disclaimer: The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an assessment of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of such survey result.

Anti-corruption Progress Indicator

Level 5: Extended

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	GLOBAL	SIAM GLOBAL HOUSE	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	GPSC	GLOBAL POWER SYNERGY	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BBL	BANGKOK BANK	HMPRO	HOME PRODUCT CENTER	ROBINS	ROBINSON DEPARTMENT STORE
BCH	BANGKOK CHAIN HOSPITAL	IRPC	IRPC	SCC	THE SIAM CEMENT
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KBANK	KASIKORNBANK	SIRI	SANSIRI
BIGC	BIG C SUPERCENTER	KCE	KCE ELECTRONICS	SPALI	SUPALAI
CK	CH. KARNCHANG	KKP	KIATNAKIN BANK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
DCC	DYNASTY CERAMIC	KTB	KRUNG THAI BANK	TCAP	THANACHART CAPITAL
DELTA	DELTA ELECTRONICS (THAILAND)	LPH	LADPRAO GENERAL HOSPITAL	TISCO	TISCO FINANCIAL GROUP
DRT	DIAMOND ROOFING TILES	PACE	PACE DEVELOPMENT CORPORATION	TMT	THAI METAL TRADE
EGCO	ELECTRICITY GENERATING	PTT	PTT	TOP	THAI OIL
GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL		

Level 4: Certified

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	ERW	THE ERAWAN GROUP	SAPPE	SAPPE
AP	ASIAN PROPERTY DEVELOPMENT	GLOW	GLOW ENERGY	SAWAD	SRISAWAD POWER 1979
BA	BANGKOK AIRWAYS	GUNKUL	GUNKUL ENGINEERING	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	ILINK	INTERLINK COMMUNICATION	SCN	SCAN INTER
BCP	THE BANGCHAK PETROLEUM	KTC	KRUNGTHAI CARD	SEAFCO	SEAFCO
BH	BUMRUNGRAD HOSPITAL	LH	LAND AND HOUSES	SVI	SVI
BJCHI	BIC HEAVY INDUSTRIES	LPN	L.P.N. DEVELOPMENT	TASCO	TIPCO ASPHALT
CBG	CARABAO GROUP	MAKRO	SIAM MAKRO	TKN	TAOKAENOI FOOD & MARKETING
CENTEL	CENTRAL PLAZA HOTEL	MALEE	MALEE SAMPRAN	TMB	TMB BANK
CHG	CHULARAT HOSPITAL	MINT	MINOR INTERNATIONAL	TRT	TIRATHAI
CKP	CK POWER	MODERN	MODERNFORM GROUP	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	NOK	NOK AIRLINES	TVO	THAI VEGETABLE OIL
CPN	CENTRAL PATTANA	PTTEP	PTT EXPLORATION AND PRODUCTION		
DTAC	TOTAL ACCESS COMMUNICATION	PYLON	PYLON		

Level 3: Established

Stock	Company name	Stock	Company name	Stock	Company name
BEM	BANGKOK EXPRESSWAY AND METRO	MTLS	MUANGTHAI LEASING	SPRC	STAR PETROLEUM REFINING
CPALL	CP ALL	SCI	SCI ELECTRIC		

No progress

Stock	Company name	Stock	Company name	Stock	Company name
AOT	AIRPORTS OF THAILAND	BPP	BANPU POWER	FN	FN FACTORY OUTLET
BCPG	BCPG	BTS	BTS GROUP HOLDINGS	TPCH	TPC POWER HOLDING

Source: www.cgthailand.org

Disclaimer: The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by the relevant institution as disclosed by the Office of the Securities and Exchange Commission, is made in order to comply with the policy and sustainable development plan for the listed companies. The relevant institution made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of the assessment result.

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KGI's Ratings

Rating	Definition
Outperform (OP)	The stock's excess return over the next twelve months is ranked in the top 40% of KGI's coverage universe in the related market (e.g. Taiwan)..
Neutral (N)	The stock's excess return over the next twelve months is ranked in the range between the top 40% and the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan)
Under perform (U)	The stock's excess return over the next twelve months is ranked in the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan).
Not Rated (NR)	The stock is not rated by KGI.
Restricted (R)	KGI policy and/or applicable law regulations preclude certain types of communications, including an investment recommendation, during the course of KGI's engagement in an investment banking transaction and in certain other circumstances. Excess return = 12M target price/current price-
Note	When an analyst publishes a new report on a covered stock, we rank the stock's excess return with those of other stocks in KGI's coverage universe in the related market. We will assign a rating based on its ranking. If an analyst does not publish a new report on a covered stock, its rating will not be changed automatically.

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