

## From ADVANC with ‘true love’

- ADVANC's huge dividend + jumping NP strengthen GULF's value
- Dividend-for-debt policy should consolidate GULF's balance sheet
- Maintain BUY and TP of THB67

### Stunningly hefty dividends from ADVANC

On 3 Feb-26, ADVANC, which is owned 40.44% by GULF, announced the surprisingly strong 4Q25 result along with the larger-than-expected dividend of THB15.3 from its operation and a special dividend of THB19.0. With 1.2b shares owned in ADVANC, Gulf is estimated to collect THB33b from the combined THB27.4/share dividend and GULF's 1.2b shares owned in ADVANC, equivalent to THB2.2/share dividend for GULF's shareholders if we assume that GULF will fully transfer all dividends received from ADVANC to its shareholders.

### ADVANC: leveraging to fund dividends

It is interesting to highlight that, to fund the large dividend of THB82b (THB27.4/share on 2.904b shares outstanding), as of 2025, ADVANC needs to raise debt via the issuance of bonds to fund the entire dividends, given 1) cash on hand of THB25.3b required to be reserved for internal spending; 2) retained earnings of THB81.7b; 3) debt capacity is ample on pre-debt and special dividends, with THB237.4b debt, net D/E at 2.0x, D/E at 2.2x, and net debt/EBITDA at 1.7x.

### GULF: likely to reduce debts

We think the entire THB33b dividends received from ADVANC to GULF is likely to be earmarked to reduce GULF's debts, which stands at THB362.5b, D/E at 1.1x and net D/E at 1.0x as of 3Q25. This should allow GULF to improve its debt capacity in preparation for the new growth opportunity, in line with GULF's growth roadmap to grow its business both in domestic and overseas markets.

### Expect 4Q25 net profit to jump

With ADVANC's record high net profit (NP) of THB47.9b in 2025, up 37% y-y and the continued rising quarterly NP of THB14.3b (+54% y-y, +19% q-q) in 4Q25 and 4Q25 normalized NP of THB12.5b (+35% y-y, +4% q-q), we think GULF's 4Q25E NP to reach a record high too as ADVANC's NP contribution to GULF will likely exceed 50% of GULF's net profit in 4Q25. We estimate that GULF's 4Q25 NP will be THB8.5b, up 17% q-q and 19% y-y on the jumping NP from ADVANC and the growing NPs from power (particularly Jackson in U.S.) and infrastructure businesses.

### Strong BUY with a TP of THB67

We maintain BUY and our TP of THB67. We believe GULF is now heading to a full-scale NP growth, springboarded by ADVANC, its U.S.-based power plants in PJM, capacity expansions, the emerging growths from many infrastructure projects including LNG terminals, motorways, and the most strategic growth factor of digital business in data centers via GULF-ADVANC-Singtel JV with global AI/tech firms.

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ESG Rating : AA

CG Rating : ▲▲▲▲▲

## BUY

<b>Target Price 12M (THB)</b>	<b>67.00</b>
VS. BB Consensus TP (%)	+7.6%
Share Price (THB)	47.75
Upside/Downside	+40.3%

#### Share Data

Market Cap (THB m)	713,377.25
Par (THB)	1.00
Free Float (%)	32.40
Issued shares (m shares)	14,940

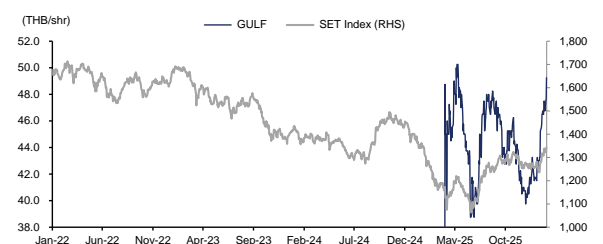
#### Financial forecast

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	120,888	150,239	156,715	171,517
Net profit	21,383	81,823	36,616	41,940
Core net profit	21,383	81,823	36,616	41,940
vs Consensus (%)		213.4	19.7	25.6
Net profit growth (%)	19.3	282.7	(55.2)	14.5
Core net profit growth (%)	14.3	282.7	(55.2)	14.5
EPS (THB)	1.43	5.48	2.45	2.81
Core EPS (THB)	1.43	5.48	2.45	2.81
Chg from previous (%)		0.00	0.00	0.00
DPS (THB)	0.88	1.64	0.74	0.84
P/E (x)	40.31	8.72	19.48	17.01
P/BV (x)	2.60	1.78	1.73	1.61
ROE (%)	6.48	22.34	9.00	9.79
Dividend yield (%)	1.53	3.44	1.54	1.76

Source: Financial Statement and Globlex securities

#### Share Price Performance (%)

	1M	3M	6M	YTD
Stock	14.37	8.52	5.52	14.37
Market	7.83	6.31	(3.78)	7.83
12M High/Low (THB)				51.25 / 37.75



#### Major Shareholders (%) as of 17 Apr 2025

Mr. Sarath Ratanavadi	29.19
UBS Ag Singapore Branch	10.14
GULF Capital Holdings Limited	8.00

#### Company Profile

A holding company invests in subsidiaries that operate 3 core businesses including energy business, infrastructure and utilities business, and digital business

Source: SETSMART, SET

### Exhibit 1: ADVANC's dividends

	Amount	Unit
GULF's shares outstanding	14,940	m shares
ADVANC's shares outstanding	2,904	m shares
GUKLF's stake in ADVANC	40.44	%
GULF's owned shares in ADVANC	1,202	m shares
Dividend from ADVANC		Dividend
ADVANC's 2025 announced dividend	15.3	THB/share
ADVANC's 2025 paid dividend	6.9	THB/share
ADVANC's 2025 remaining dividend	8.4	THB/share
ADVANC's special dividend	19.0	THB/share
ADVANC's 2025 total dividend receivable	27.4	THB/share
GULF's dividend receivable from ADVANC	32,947	THB m
GULF's dividend receivable from ADVANC	2.2	THB/share

Sources: ADVANC; GULF; Globlex Research

### Exhibit 2: Key financial figures (ADVANC vs GULF)

Key financial status (ADVANC vs GULF)	ADVANC (2025)	GULF (3Q25)	
<b>ADVANC's required dividend cash</b>	<b>81,493</b>		THB m
Retained earnings	81,683	131,068	THB m
Cash on hand	25,354	52,646	THB m
Short term debt	42,013	93,877	THB m
Long term debt	195,402	268,677	THB m
Debt	237,416	362,554	THB m
Net debt	212,062	309,908	THB m
Equity	107,280	323,760	THB m
2025 EBITDA	123,269	35,867	THB m
D/E	2.2	1.1	x
Net D/E	2.0	1.0	x
Net debt/ EBITDA	1.7	8.6	x

Sources: ADVANC; GULF; Globlex Research

### Exhibit 3: GULF's quarterly financial information

(THB m)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25
Cash	30,472	31,942	43,348	33,937	46,524	49,461	52,646
Asset	472,868	481,852	486,837	704,271	728,575	742,205	752,800
Short term debt	31,424	25,488	29,739	56,205	73,312	61,440	93,877
Long term debt	122,958	121,850	110,705	259,230	286,623	289,964	268,677
Total debt	154,382	147,338	140,444	315,435	359,935	351,404	362,554
Shareholders' equity	148,306	143,877	148,416	361,683	330,796	346,100	354,210
D/E	1.04	1.02	0.95	0.87	1.09	1.02	1.02

Sources: GULF; Globlex Research

Balance sheet (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Current assets</b>					
Cash & ST investment	36,932	33,937	76,559	84,195	112,122
Account receivable	21,165	18,778	18,778	18,778	18,778
Inventories	2,958	3,180	3,774	3,755	4,070
Others	6,592	9,284	11,538	12,035	13,172
<b>Non-current assets</b>					
Net fixed assets	95,533	96,536	100,920	110,594	119,668
Others	507,948	542,556	542,556	542,556	542,556
<b>Total Assets</b>	<b>671,127</b>	<b>704,271</b>	<b>754,125</b>	<b>771,914</b>	<b>810,367</b>

<b>Current liabilities</b>					
Account payable	9,391	6,072	7,206	7,170	7,772
ST borrowing	42,683	56,205	30,000	30,000	30,000
Others	13,589	9,504	12,512	13,721	15,585
<b>Long-term liabilities</b>					
Long-term debts	240,590	259,230	259,230	259,230	259,230
Others	9,254	11,577	11,577	11,577	11,577
<b>Total liabilities</b>	<b>315,506</b>	<b>342,587</b>	<b>320,525</b>	<b>321,698</b>	<b>324,164</b>
Paid-up capital	14,940	14,940	14,940	14,940	14,940
Retained earnings	124,952	129,516	198,192	210,261	241,216
Others	187,611	187,538	187,538	187,538	187,538
Minority interest	28,118	29,689	32,930	37,476	42,509
<b>Shareholders' equity</b>	<b>355,621</b>	<b>361,683</b>	<b>433,601</b>	<b>450,216</b>	<b>486,203</b>

Key ratios					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Growth (%YoY)</b>					
Sales	21.1	6.0	24.3	4.3	9.4
Operating profit	2.6	9.0	45.6	19.3	12.2
EBITDA	3.0	5.3	45.6	19.3	12.2
Net profit	57.0	19.3	282.7	(55.2)	14.5
Core net profit	54.6	14.3	282.7	(55.2)	14.5
EPS	57.0	19.3	282.7	(55.2)	14.5
Core EPS	54.6	14.3	282.7	(55.2)	14.5
<b>Profitability (%)</b>					
Gross margin	23.0	23.4	26.9	30.2	30.9
Operation margin	19.4	19.9	23.4	26.7	27.4
EBITDA margin	20.1	19.9	23.4	26.7	27.4
Net margin	15.7	17.7	54.5	23.4	24.5
ROE	5.8	6.5	22.3	9.0	9.8
ROA	3.6	3.6	10.4	3.8	4.6
<b>Stability</b>					
Interest bearing debt/equity (x)	0.8	0.9	0.7	0.6	0.6
Net debt/equity (x)	0.7	0.8	0.5	0.5	0.4
Interest coverage (x)	1.9	1.7	3.3	4.1	4.8
Interest & ST debt coverage (x)	0.4	0.3	0.7	0.9	1.0
Cash flow interest coverage (x)	0.1	0.1	0.3	0.2	0.2
Current ratio (x)	1.0	0.9	2.2	2.3	2.8
Quick ratio (x)	0.9	0.7	1.9	2.0	2.5
Net debt (THB m)	246,341	281,498	212,671	205,035	177,108
<b>Activity</b>					
Asset turnover (X)	0.2	0.2	0.2	0.2	0.2
Days receivables	64.3	60.3	45.6	43.7	40.0
Days inventory	9.4	12.1	11.6	12.6	12.1
Days payable	35.1	30.5	22.1	24.0	23.0
Cash cycle days	38.6	41.9	35.1	32.3	29.0

Profit & loss (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Revenue</b>					
Revenue	114,054	120,888	150,239	156,715	171,517
Cost of goods sold	(87,840)	(92,568)	(109,862)	(109,319)	(118,499)
<b>Gross profit</b>	<b>26,214</b>	<b>28,320</b>	<b>40,377</b>	<b>47,395</b>	<b>53,018</b>
Operating expenses	(4,096)	(4,207)	(5,258)	(5,485)	(6,003)
<b>Operating profit</b>	<b>22,118</b>	<b>24,113</b>	<b>35,119</b>	<b>41,910</b>	<b>47,015</b>
<b>EBIT</b>	<b>18,723</b>	<b>19,539</b>	<b>28,268</b>	<b>35,059</b>	<b>40,164</b>
Depreciation	(4,181)	(4,575)	(6,851)	(6,851)	(6,851)
<b>EBITDA</b>	<b>22,904</b>	<b>24,113</b>	<b>35,119</b>	<b>41,910</b>	<b>47,015</b>
<b>Non-operating income</b>					
Other incomes	719	588	749	749	749
Other non-op income	5,100	3,146	57,967	3,978	4,360
<b>Non-operating expense</b>	<b>(10,628)</b>	<b>(11,888)</b>	<b>(9,362)</b>	<b>(9,214)</b>	<b>(9,066)</b>
Interest expense	(9,819)	(11,213)	(8,662)	(8,514)	(8,366)
Other non-op expense	(808)	(676)	(700)	(700)	(700)
<b>Equity income/(loss)</b>	<b>11,972</b>	<b>15,891</b>	<b>13,653</b>	<b>13,036</b>	<b>13,662</b>
<b>Pre-tax Profit</b>	<b>25,886</b>	<b>27,275</b>	<b>91,274</b>	<b>43,608</b>	<b>49,869</b>
Extraordinary items	(786)	0	0	0	0
Current taxation	(658)	(682)	(6,210)	(2,446)	(2,897)
Minorities	(6,519)	(5,210)	(3,242)	(4,546)	(5,033)
<b>Net Profit</b>	<b>17,923</b>	<b>21,383</b>	<b>81,823</b>	<b>36,616</b>	<b>41,940</b>
<b>Core net profit</b>	<b>18,709</b>	<b>21,383</b>	<b>81,823</b>	<b>36,616</b>	<b>41,940</b>
<b>EPS (THB)</b>	<b>1.20</b>	<b>1.43</b>	<b>5.48</b>	<b>2.45</b>	<b>2.81</b>
<b>Core EPS (THB)</b>	<b>1.25</b>	<b>1.43</b>	<b>5.48</b>	<b>2.45</b>	<b>2.81</b>

Cash flow (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Operating cash flow</b>					
Net profit	17,923	21,383	81,823	36,616	41,940
Depre. & amortization	4,181	4,575	6,851	6,851	6,851
Change in working capital	(7,897)	(7,931)	594	(5)	314
Others	11,972	15,891	13,653	13,036	13,662
<b>Investment cash flow</b>	<b>(87,737)</b>	<b>(85,482)</b>	<b>58,688</b>	<b>(3,340)</b>	<b>(2,113)</b>
Net CAPEX	(24,733)	(35,577)	(11,235)	(16,525)	(15,925)
Change in LT investment	(17,433)	(8,518)	69,923	13,186	13,812
Change in other assets	(45,572)	(41,387)	0	0	0
<b>Free cash flow</b>	<b>(61,559)</b>	<b>(51,564)</b>	<b>161,609</b>	<b>53,158</b>	<b>60,653</b>
<b>Financing cash flow</b>					
Net cash flow	60,164	48,570	(118,986)	(45,522)	(32,726)
Change in share capital	0	0	0	0	0
Net change in debt	34,494	32,162	(26,205)	0	0
Dividend paid	(8,964)	(13,147)	(13,147)	(24,547)	(10,985)
Others	34,634	29,554	(79,635)	(20,975)	(21,741)
<b>Net cash flow</b>	<b>(1,395)</b>	<b>(2,995)</b>	<b>42,622</b>	<b>7,636</b>	<b>27,927</b>

Per share (THB)					
EPS	1.20	1.43	5.48	2.45	2.81
Core EPS	1.25	1.43	5.48	2.45	2.81
CFPS	1.97	2.09	6.15	3.21	3.60
BVPS	21.92	22.22	26.82	27.63	29.70
Sales/share	7.63	8.09	10.06	10.49	11.48
EBITDA/share	1.53	1.61	2.35	2.81	3.15
DPS	0.88	0.88	1.64	0.74	0.84
<b>Valuation</b>					
P/E (x)	37.09	40.31	8.72	19.48	17.01
P/BV (x)	2.03	2.60	1.78	1.73	1.61
Dividend yield (%)	1.98	1.53	3.44	1.54	1.76
Dividend payout ratio (%)	73.35	61.48	30.00	30.00	30.00

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### Analyst Certification

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## RECOMMENDATION STRUCTURE

### Stock Recommendations

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

**BUY:** Expected return of 10% or more over the next 12 months.  
**HOLD:** Expected return between -10% and 10% over the next 12 months.  
**REDUCE:** Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause 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.

### Sector Recommendations

**Overweight:** The industry is expected to outperform the relevant primary market index over the next 12 months.  
**Neutral:** The industry is expected to perform in line with the relevant primary market index over the next 12 months.  
**Underweight:** The industry is expected to underperform the relevant primary market index over the next 12 months.

### Country (Strategy) Recommendations

**Overweight:** 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:** 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:** 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.