GUNKUL ENGINEERING (GUNKUL TB)

Globlex Securities Co., Ltd.

THAILAND / SET / ENERGY AND UTILITIES

17 August 2026

Growths abound around the corner

- 2Q26 net profit was strong on existing businesses + private PPA
- Growth opportunity abound from new PDP, Direct PPA, IPS
- Upgrade to BUY and raised our SoTP TP to THB5.60

Improved on EPC, power, and manufacturing

GUNKUL's 2Q26 net profit (NP) of THB575m was up 19% y-y due to the y-y higher interest income and revenue from EPC, the rising share of profit from wind farms, which jumped from THB103m in 2Q25 to THB125m in 2Q26. Higher Gross Profit (GP) from manufacturing and selling of equipment of electrical system helped support the gross profit margin at 33.4% in 2Q26, down from 41.5% in 2Q25 on the y-y lower revenue from private PPA unit.

Gross profits grew y-y on all units

GP was THB932m in 2Q26, up 18% q-q and 25% y-y, with GP from engineering, procurement & construction (EPC) at THB241m (-15% q-q, +28% y-y), power at THB416m (+10% q-q, +1% y-y), trading at THB140m (+100% q-q, +40% y-y), and assets under finance lease at THB127m (+57% q-q, +13% y-y). Interest expenses rose by 0.3% q-q to THB137m due to the higher debt and borrowing costs. 2Q26 EBITDA was THB774m, (+5% q-q, +5% y-y) on higher revenue.

Upsides remain wide on existing businesses

Thanks to its growing private solar farms booked as assets under finance lease, GUNKUL's NP has continued to be supported on higher net profits from electricity, particularly solar farms from both private and PPA-based solar farms and rooftops. The EPC revenue is projected to decline q-q from the high base in 2Q26 but the project backlogs remain high while its trading business should see a healthy GP in 2H26.

Upsides arise more and faster than expected

We now turned more positive on GUNKUL's share price, considering 1) the significantly subsiding downside from the pressure on GUNKUL's sales of 280.92m treasury shares or 3.16% of total paid-up shares; 2) the earnings upsides from the recently committed 40% stake investment in floating solar farm in the Philippines to add an equity capacity of 784MW, roughly doubling GUNKUL's equity capacity, under the Green Energy Auction Program Round 4 (GEA-4); 3) the signing of three renewable projects – two solar and one wind farms, with total capacity of 57.2MW, to be COD in 2027E-29E.

Upgrade to BUY and raised our TP to THB5.6

We upgrade from HOLD to BUY and lifted our SoTP TP from THB3.40 to THB5.60, adding THB1.4 value for the 40%-owned floating solar farm in the Philippines. We think upsides could come more on the coming new PDP in Thailand, which in the forms of EPC and capacity growths for the renewable projects as well as the growth opportunity from the data center Industrial Users under the Direct PPA and Independent Power Supplier (IPS).

ESG Rating : AAA

CG Rating : ▲▲▲▲▲

BUY (from HOLD)	
Target Price 12M (THB)	**5.60**
VS. BB Consensus TP (%)	-1.9%
Share Price (THB)	5.10
Upside/Downside	+9.8%

Share Data

Market Cap (THB m)	45,300.91
Par (THB)	0.25
Free Float (%)	42.80
Issued shares (m shares)	8,883

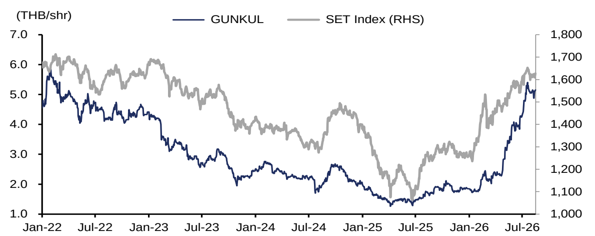
Financial forecast

YE Dec (THB m)	2025	2026E	2027E	2028E
Revenue	8,203	10,324	11,396	11,268
Net profit	1,769	1,944	2,399	2,988
Core net profit	1,769	1,944	2,399	2,988
vs Consensus (%)		(0.5)	8.2	3.1
Net profit growth (%)	6.5	9.9	23.4	24.5
Core net profit growth (%)	6.5	9.9	23.4	24.5
EPS (THB)	0.20	0.22	0.27	0.34
Core EPS (THB)	0.20	0.22	0.27	0.34
Chg from previous (%)		0.00	0.00	0.00
DPS (THB)	0.12	0.11	0.14	0.17
P/E (x)	9.54	23.30	18.88	15.16
P/BV (x)	1.20	2.95	2.70	2.44
ROE (%)	12.66	13.20	14.94	16.90
Dividend yield (%)	6.32	2.15	2.65	3.30

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	4.94	43.26	129.73	168.42
Market	6.05	37.03	104.22	110.14
12M High/Low (THB)				5.50 / 1.68



Major Shareholders (%) as of 25 May 2026

Gunkul Group company Limited	50.68
Mr. Gunkul Dhumrongpiyawut	4.05

Company Profile

GUNKUL is one of the largest renewable plays in Thailand with capacities for solar, wind, and gas engine power plants in Thailand, Japan, Vietnam and Malaysia

Source: SETSMART, SET

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Exhibit 1: Summary of 2Q26/6M26 operations

	2Q25	1Q26	---------------- 2Q26 ------------------			6M25	6M26	chg.	2026E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)
Revenue	**1,802**	**2,538**	**2,666**	***5.0***	***47.9***	**3,873**	**5,204**	***34.4***	**10,324**
Operating costs	(1,067)	(1,799)	(1,892)	*(5.1)*	*(77.4)*	(2,513)	(3,691)	*(46.9)*	(6,535)
EBITDA	**736**	**739**	**774**	***4.8***	***5.3***	**1,360**	**1,514**	***11.3***	**3,789**
EBITDA margin (%)	*40.8*	*29.1*	*29.0*	*nm*	*nm*	*35.1*	*29.1*	*nm*	*36.7*
Depn & amort.	(278)	(257)	(263)	*(2.1)*	*5.3*	(548)	(520)	*5.1*	(1,036)
EBIT	458	482	512	*6.2*	*11.7*	812	993	*22.3*	2,753
Interest expense	(162)	(136)	(137)	*(0.3)*	*15.5*	(334)	(273)	*18.2*	(626)
Interest & invt inc	10	5	131	*2,382.9*	*1,156.5*	15	137	*822.8*	6
Other income	182	15	15	*(4.4)*	*(92.0)*	203	30	*(85.3)*	26
Associates' contrib	126	150	132	*(12.3)*	*4.5*	373	282	*(24.3)*	100
Exceptionals	(44)	28	10	*(62.9)*	*123.0*	(71)	38	*152.9*	7
Pretax profit	**571**	**544**	**663**	**21.9**	**16.1**	**997**	**1,207**	**21.0**	**2,259**
Tax	(85)	(88)	(88)	*0.3*	*(2.9)*	(144)	(176)	*(22.2)*	(249)
Tax rate (%)	*15.0*	*16.2*	*13.3*	*nm*	*nm*	*14.5*	*14.6*	*nm*	*11.0*
Minority interests	(1)	-	-	*nm*	*nm*	(2)	-	*100.0*	(66)
Net profit	**485**	**456**	**575**	***26.2***	***18.7***	**851**	**1,031**	***21.1***	**1,944**
Non-recurring	38	(23)	(9)	*61.6*	*(123.5)*	61	(32)	*na*	-
Core net profit	**522**	**433**	**566**	***30.8***	***8.4***	**913**	**999**	***9.5***	**1,944**
EPS (THB)	0.05	0.05	0.06	*26.2*	*18.7*	0.10	0.12	*21.1*	0.22
Core EPS (THB)	0.06	0.05	0.06	*30.8*	*8.4*	0.10	0.11	*9.5*	0.22

Sources: GUNKUL, Globlex Research

Exhibit 2: 2Q26/6M26 gross profit breakdown

Gross profit (THB)	2Q25	1Q26	2Q26	(q-q%)	(y-y%)	6M25	6M26	(y-y%)
Manufacturing and selling of equipment for electrical systems	100	70	140	*100.1*	*40.1*	215	210	*(2.3)*
Generating and selling electricity	412	379	416	*9.8*	*0.9*	782	794	*1.5*
Construction service (EPC)	189	284	241	*(15.0)*	*28.0*	297	525	*77.1*
Assets under finance lease	113	81	127	*56.7*	*12.9*	154	209	*35.3*
Elimination	(66)	(24)	7	*130.8*	*111.1*	(69)	(16)	*76.4*
Total	**748**	**790**	**932**	***17.9***	***24.6***	**1,379**	**1,722**	***24.9***

Sources: GUNKUL, Globlex Research

Exhibit 3: SoTP valuation

Cost of equity assumptions (%)		Cost of debt assumptions (%)	
Risk free rate	2.3	Pretax cost of debt	4.7
Market risk premium	8.5	Marginal tax rate	20.0
Stock beta	0.8		
Cost of equity, Ke	9.1	Net cost of debt, Kd	3.7
Weight applied	25.0	Weight applied	75.0
WACC (%)	5.0		

Sum-of-part valuation estimate	THB m	THB/share	Comments
EPC	1,280	0.1	20x FY26E P/E, industry average of 20x
Trading	2,087	0.2	22x FY26E P/E, industry average of 22x
Solar power	16,504	1.9	DCF WACC 5%
Wind power	9,645	1.1	DCF WACC 5%
832.4MW renewable bidding (COD 2026-30)	21,722	2.4	DCF WACC 5%
Laguna floating solar - Philippines	11,690	1.3	DCF WACC 5%
Cannabis	17	0.0	10x FY26E P/E
Net cash	(13,512.1)	(1.5)	Net cash on hand at end 2026E
Residual ordinary equity	**49,433**	**5.6**	

Sources: GUNKUL; Globlex Research

Balance sheet (THB m) Year ending Dec	2024	2025	2026E	2027E	2028E
Current assets					
Cash & ST investment	1,205	894	179	736	1,797
Account receivable	2,034	1,774	1,448	1,087	730
Inventories	988	835	1,045	1,150	996
Others	2,574	3,934	4,951	5,465	5,404
Non-current assets					
Net fixed assets	14,564	11,841	14,528	14,552	14,520
Others	11,340	12,265	12,265	12,265	12,265
Total Assets	**32,704**	**31,544**	**34,416**	**35,255**	**35,712**
Current liabilities					
Account payable	1,387	2,416	3,023	3,329	2,882
ST borrowing	4,576	3,320	4,000	4,000	4,000
Others	599	931	1,172	1,294	1,279
Long-term liabilities					
Long-term debts	8,954	9,647	9,691	8,609	7,675
Others	3,308	1,111	1,111	1,111	1,111
Total liabilities	**18,824**	**17,425**	**18,997**	**18,343**	**16,947**
Paid-up capital	2,221	2,221	2,221	2,221	2,221
Retained earnings	9,194	9,940	11,173	12,601	14,388
Others	2,415	1,958	1,958	1,958	1,958
Minority interest	50	1	67	133	198
Shareholders' equity	**13,880**	**14,119**	**15,418**	**16,912**	**18,764**

Profit & loss (THB m) Year ending Dec	2024	2025	2026E	2027E	2028E
Revenue	**9,451**	**8,203**	**10,324**	**11,396**	**11,268**
Cost of goods sold	(5,508)	(4,276)	(5,353)	(5,894)	(5,103)
Gross profit	**3,943**	**3,927**	**4,972**	**5,502**	**6,164**
Operating expenses	(1,244)	(1,220)	(1,182)	(1,305)	(1,292)
Operating profit	**2,699**	**2,707**	**3,789**	**4,197**	**4,873**
EBIT	**1,703**	**1,621**	**2,753**	**3,221**	**3,841**
Depreciation	(996)	(1,085)	(1,036)	(977)	(1,032)
EBITDA	**2,699**	**2,707**	**3,789**	**4,197**	**4,873**
Non-operating income	**280**	**256**	**106**	**181**	**255**
Other incomes	118	232	100	180	250
Other non-op income	163	25	6	1	5
Non-operating expense	**(799)**	**(667)**	**(626)**	**(618)**	**(571)**
Interest expense	(717)	(632)	(626)	(618)	(571)
Other non-op expense	(82)	(34)	0	0	0
Equity income/(loss)	807	885	26	27	28
Pre-tax Profit	**1,991**	**2,096**	**2,259**	**2,811**	**3,553**
Extraordinary items	0	0	0	0	0
Current taxation	(330)	(327)	(249)	(345)	(501)
Minorities	(0)	(0)	(66)	(66)	(64)
Net Profit	**1,661**	**1,769**	**1,944**	**2,399**	**2,988**
Core net profit	**1,661**	**1,769**	**1,944**	**2,399**	**2,988**
EPS (THB)	**0.19**	**0.20**	**0.22**	**0.27**	**0.34**
Core EPS (THB)	**0.19**	**0.20**	**0.22**	**0.27**	**0.34**

Key ratios Year ending Dec	2024	2025	2026E	2027E	2028E
Growth (%YoY)					
Sales	24.3	(13.2)	25.9	10.4	(1.1)
Operating profit	17.2	0.3	40.0	10.8	16.1
EBITDA	12.8	0.3	40.0	10.8	16.1
Net profit	12.6	6.5	9.9	23.4	24.5
Core net profit	6.2	6.5	9.9	23.4	24.5
EPS	12.6	6.5	9.9	23.4	24.5
Core EPS	6.2	6.5	9.9	23.4	24.5
Profitability (%)					
Gross margin	41.7	47.9	48.2	48.3	54.7
Operation margin	28.6	33.0	36.7	36.8	43.2
EBITDA margin	28.6	33.0	36.7	36.8	43.2
Net margin	17.6	21.6	18.8	21.1	26.5
ROE	12.0	12.7	13.2	14.9	16.9
ROA	4.6	3.0	1.9	3.2	5.1
Stability					
Interest bearing debt/equity (x)	1.0	0.9	0.9	0.7	0.6
Net debt/equity (x)	0.9	0.9	0.9	0.7	0.5
Interest coverage (x)	2.4	2.6	4.4	5.2	6.7
Interest & ST debt coverage (x)	0.3	0.4	0.6	0.7	0.8
Cash flow interest coverage (x)	0.1	0.2	0.2	0.2	0.2
Current ratio (x)	1.0	1.1	0.9	1.0	1.1
Quick ratio (x)	0.5	0.4	0.2	0.2	0.3
Net debt (THB m)	12,325	12,073	13,512	11,874	9,878
Activity					
Asset turnover (X)	0.3	0.2	0.3	0.3	0.3
Days receivables	61.0	84.7	56.9	40.6	29.4
Days inventory	71.7	77.8	64.1	68.0	76.8
Days payable	106.1	162.3	185.4	196.7	222.1
Cash cycle days	26.6	0.2	(64.4)	(88.1)	(116.0)

Cash flow (THB m) Year ending Dec	2024	2025	2026E	2027E	2028E
Operating cash flow	**2,645**	**4,152**	**2,954**	**3,571**	**4,159**
Net profit	1,661	1,769	1,944	2,399	2,988
Depre.& amortization	996	1,085	1,036	977	1,032
Change in working capital	(819)	413	(52)	168	111
Others	807	885	26	27	28
Investment cash flow	**(1,155)**	**(7,068)**	**4,091**	**1,269**	**1,170**
Net CAPEX	(1,399)	(3,808)	4,065	1,242	1,142
Change in LT investment	(274)	(2,351)	26	27	28
Change in other assets	518	(909)	0	0	0
Free cash flow	**1,491**	**(2,916)**	**7,045**	**4,840**	**5,329**
Financing cash flow	**(1,670)**	**2,606**	**(7,761)**	**(4,283)**	**(4,268)**
Change in share capital	0	(772)	0	0	0
Net change in debt	223	(563)	724	(1,082)	(935)
Dividend paid	0	0	(711)	(972)	(1,200)
Others	(1,893)	3,940	(7,774)	(2,229)	(2,134)
Net cash flow	**(179)**	**(310)**	**(716)**	**557**	**1,061**

Per share (THB)	2024	2025	2026E	2027E	2028E
EPS	0.19	0.20	0.22	0.27	0.34
Core EPS	0.19	0.20	0.22	0.27	0.34
CFPS	0.30	0.32	0.34	0.39	0.46
BVPS	1.56	1.59	1.73	1.89	2.09
Sales/share	1.06	0.92	1.16	1.28	1.27
EBITDA/share	0.30	0.30	0.43	0.47	0.55
DPS	0.14	0.12	0.11	0.14	0.17
Valuation					
P/E (x)	12.19	9.54	23.30	18.88	15.16
P/BV (x)	1.46	1.20	2.95	2.70	2.44
Dividend yield (%)	6.14	6.32	2.15	2.65	3.30
Divdend payout ratio (%)	74.88	60.26	50.00	50.00	50.00

GUNKUL ENGINEERING (GUNKUL TB) | THAILAND / SET / ENERGY & UTILITIES

ESG Analysis

ESG Assessment	SET ESG	Bloomberg
Environment GUNKUL continues to expand its renewable energy portfolio while supporting Thailand's energy transition through solar and wind power projects. The company focuses on reducing greenhouse gas emissions, improving energy efficiency, promoting responsible resource management, and strengthening biodiversity conservation as part of its long-term sustainability strategy. It remains committed to its vision of becoming a leading green energy and infrastructure company in Asia.	AAA	5.76
Social GUNKUL prioritizes employee health and safety, capability development, and a culture of continuous learning. The company supports local communities through education, healthcare, and social development initiatives while promoting stakeholder engagement and responsible business practices across its operations.		4.34
Governance GUNKUL maintains strong corporate governance through independent board oversight, enterprise risk management, anti-corruption measures, and transparent ESG disclosure. In 2025, the company received a SET ESG Rating of AAA and retained a 5-star Excellent CGR rating, reflecting its commitment to responsible governance.		4.95
Overall | CG Score: Excellent (5-star) | CAC: Certified		**5.14**

Bloomberg ESG scores reflect FY2025 data (latest available). SET ESG Rating as of April 2026 (Globlex Research). CG rating reflects 2025 Thai IOD survey. SET ESG Rating as of 9 January 2026.
Sources: SET, Thai IOD, CAC, Bloomberg, Globlex Securities Research

SET ESG Ratings 2025 | Thai Listed Companies   As of 9 January 2026

Ratings: AAA (90-100)							
AAV	ACE	ADVANC	AJ	AMATA	AMATAV	ASW	AWC
BAM	BANPU	BAY	BBGI	BBL	BDMS	BEM	BGC
BGRIM	BJC	BKIH	BPP	BTG	CENTEL	CKP	CPALL
CPF	CPAXT	CPN	CRC	DITTO	EASTW	FPI	FPT
GLOBAL	GPSC	**GUNKUL**	HANA	HENG	HMPRO	III	ILM
IVL	KBANK	KCG	KJL	KKP	KTB	KTC	LH
LOXLEY	MAJOR	MBK	MC	M-CHAI	MFEC	MTI	NER
NOBLE	OR	ORI	OSP	PB	PLANB	PR9	PSH
PTG	PTT	PTTEP	PTTGC	RATCH	S	S&J	SABINA
SAT	SC	SCB	SCC	SCG	SCGP	SIRI	SJWD
SKY	SNP	STA	STECON	STGT	SVOA	TEAMG	TEGH
TFMAMA	THCOM	TISCO	TMT	TOA	TOP	TPBI	TTA
TTB	TTW	TVO	VNG	WHA	WHAUP		
Ratings: AA (80-89)							
ADB	AKP	AOT	AP	ASK	ASP	AURA	BCH
BLA	BRI	BTS	CBG	CIVIL	CK	CMAN	COLOR
COM7	DMT	DRT	EGCO	EPG	ETC	GFPT	GULF
HTC	ICHI	ILINK	IT	ITTHI	JMART	KCE	KUMWEL
LHFG	MINT	MODERN	MOSHI	MSC	MTC	NVD	NYT
PCC	PRM	PSL	QTC	RBF	SA	SAWAD	SCCC
SCGD	SELIC	SFLEX	SHR	SMPC	SNNP	SPALI	SPI
SSP	SUTHA	SYNEX	TASCO	TCAP	TCMC	TGH	THANI
TIPH	TKS	TLI	TOG	TPAC	TPIPP	TSC	TU
UAC	UBE	VIH	WICE	XO	ZEN		
Ratings: A (65-100)							
AEONTS	ALLA	ALT	ALUCON	BA	BH	BLC	CFRESH
CHAO	CHASE	CHG	CM	CPL	CREDIT	ERW	GABLE
HARN	HUMAN	INSET	IRC	ITC	JMT	KSL	M
MALEE	MGC	MOONG	NEO	PHOL	PLUS	PM	PPS
PQS	PROUD	PRTR	PSP	Q-CON	QLT	SAK	SAPPE
SCAP	SEAFCO	SEAOIL	SENA	SENX	SGC	SICT	SITHAI
SKR	SNC	SPC	SSSC	SYMC	TAN	TBN	TGE
THANA	THIP	THREL	TPA	TPCS	TQM	TRU	TWPC
UPF	UPOIC	VIBHA	WPH				
Ratings: BBB (50-64)							
AKR	ASIMAR	CSC	J	LEO	MEGA	NL	PRIN
SE	SO	SPRC	SUN	TMILL	TSTH	WP	YUASA

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Source: SET ESG Ratings, Stock Exchange of Thailand (setsustainability.com). Ratings as of 9 January 2026. Only companies scoring 50 and above are assigned a rating. Covered company are Bold in letter.

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RECOMMENDATION STRUCTURE

Stock Recommendations

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