COMPANY UPDATE

GULF DEVELOPMENT (GULF TB)

THAILAND / SET / ENERGY & UTILITIES

Globlex Securities Co., Ltd.

24 September 2026

From overseas to subsea growths

- VTS' subsea cable investment will strengthen GULF's growth
- Infrastructure +data platforms are emerging as GULF's crown jewel
- Maintain BUY and a SOTP of THB82

Strengthening a digital and telecom strategic forces

On 11 Sep-26, Singtel and GULF entered into a strategic partnership to co-develop and fund the Vietnam–Thailand–Singapore (VTS) Cable System. Operating through Singtel and ADVANC, the partnership formalizes and finances the subsea branch connecting Thailand directly to Singapore and Vietnam, targeting a Ready-for-Service (RFS) date of 2030. The USD0.3b-cost VTS project is an extension of the original VTS MOU signed in Apr-24 between Viettel and Singtel.

What is VTS subsea cable network?

Engineered as an 8-fiber-pair (8FP) dense wavelength-division multiplexing (DWDM) highway, VTS' main trunk directly connects Vietnam to Singapore with planned branches to Thailand, Cambodia, and Malaysia. The main optical trunk runs through the South China Sea between Vietnam (Quy Nhon/Da Nang) and Singapore (Tuas/Changi). A dedicated branching unit (BU) diverts fiber pairs west into Gulf of Thailand to land on Eastern Seaboard (Rayong/Chonburi). VTS' capacity and latency will bypass intermediate regional hubs, the direct line delivers an estimated latency of just 12ms between Vietnam and Singapore, with total capacity to hundreds of Terabits per second.

A strategic force for digital data centers

GULF and Singtel formalized the capital, commercial, and operational structure for the Thailand branch and landing. ADVANC serves as the domestic landing party, transforming a bilateral trunk into a multi-landing intra-ASEAN subsea network. Rather than treating the VTS subsea network purely as a telecom asset, GULF's investment in VTS will be a key strategic move to strengthen its digital venture as VTS will be a foundational connectivity backbone for GULF's three key hyperscale data center projects – GSA01 (25MW, operating), GSA02 (38MW, COD 3Q27E), GEDC (100MW, 4Q27E).

Net profit upsides continue to stack up

We think GULF's NP upsides are now underestimated by the market, reflected in its share price underperformance despite GULF's visible net profit growth momentum from both existing and new projects. The recent potential growths from PDP2026 (new capacity for conventional and renewable, power demands for data centers) and GULF's three data centers and VTS will continue to strengthen its growth trajectory.

Time to buy a Thai power-digital giant

Maintain BUY and a SoTP TP of THB82. GUKL remains our pick in Thailand's utilities sector and large market cap stocks, thanks to GULF's relentless growth additions from power, infrastructure, and digital and telecommunication businesses.

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ESG Rating : AA

CG Rating : ▲▲▲▲▲

BUY

Target Price 12M (THB)	**82.00**
VS. BB Consensus TP (%)	+4.8%
Share Price (THB)	60.50
Upside/Downside	+35.5%

Share Data

Market Cap (THB m)	930,004.90
Par (THB)	1.00
Free Float (%)	32.06
Issued shares (m shares)	14,940

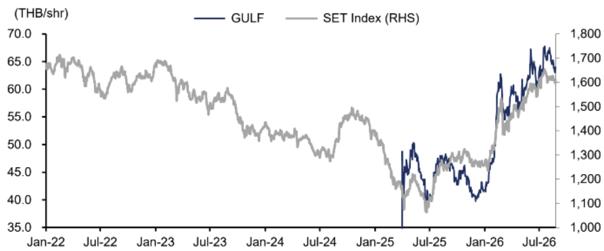
Financial forecast

YE Dec (THB m)	2025	2026E	2027E	2028E
Revenue	98,886	135,832	146,565	157,151
Net profit	79,998	36,719	42,170	53,003
Core net profit	79,998	36,719	42,170	53,003
vs Consensus (%)		2.5	6.9	23.0
Net profit growth (%)	274.1	(54.1)	14.8	25.7
Core net profit growth (%)	274.1	(54.1)	14.8	25.7
EPS (THB)	5.35	2.46	2.82	3.55
Core EPS (THB)	5.35	2.46	2.82	3.55
Chg from previous (%)		0.00	0.00	0.00
DPS (THB)	0.88	0.74	0.85	1.06
P/E (x)	10.96	24.62	21.43	17.05
P/BV (x)	2.61	2.52	2.32	2.10
ROE (%)	23.96	10.57	11.25	12.91
Dividend yield (%)	1.50	1.22	1.40	1.76

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(2.73)	2.89	13.70	49.10
vs SET	(2.55)	(1.57)	(1.36)	16.61
12M High/Low (THB)				68.50 / 39.75



Major Shareholders (%) as of 04 Mar 2026

Mr. Sarath Ratanavadi	29.28
UBS AG Singapore Branch	10.12
GULF Capital Holdings Limited	8.00

Company Profile

A holding company investing in energy, infrastructure, data center and cloud businesses, and other investments.

Source: SET statistics, 23 Sep 2026; price: 24 Sep, 16:36 ICT.
1M/3M/6M = 20/60/120 trading days; vs SET = relative return.
Free float: 4 Mar 2026. Bloomberg chart: 26 Aug 2026.

Exhibit 1: VTS cable's strategic links to hyper-scale infrastructure in Southeast Asia

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│               VTS Subsea Infrastructure              │
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                           │ (Terabit-Scale / 12ms Latency)
                           ▼
┌──────────────────────────────────────────────────────┐
│   Regional AI & Cloud Data Center Ecosystems         │
├──────────────────────────┬───────────────────────────┤
│ Singapore (Hub)          │ Thailand & Vietnam        │
│  • Edge-AI Orchestration │  • Hyper-scale Expansion  │
│  • LLM Training Clusters │  • Sovereign AI Data Hubs │
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Sources: Subsea Cable by Telecom Review

Exhibit 2: The Vietnam-Singapore Cable System (VTS)

Sources: https://www.submarinenetworks.com/en/systems/intra-asia/vts

Exhibit 3: GULF's data center projects

Project	Location	Power/Capacity (MW)	Targeted timeline	Strategic integration with VTS
GSA Data Center 01	Samut Prakan	25	Operational	First data center in Thailand to deploy specialized liquid-cooling infrastructure specifically designed to handle high-density AI processing chips.
GSA Data Center 02 (GSA02)	Chonburi	38	Mid-2027E	Backed by an exclusive anchor-tenant agreement with Microsoft. The VTS cable will provide ultra-low latency pipelines (~12ms) to link Microsoft's Thailand cloud region directly to Singapore's primary digital gateways.
GEDC	Rayong	100	Late 2027E	Located directly on Thailand's Eastern Seaboard, positioning it next to the VTS cable's planned branch landing points to intercept raw international bandwidth.

Sources: GULF

Exhibit 4: VTS project specification and development

System Parameter	Initial Announcement (Viettel & Singtel, 2024)	Expanded Framework (Singtel, GULF & AIS, 2026)
Consortium Stakeholders	Viettel, Singtel Group	Singtel, Viettel, Gulf Development, AIS
System Scope	Main trunk (Vietnam / Singapore) with stub branches	Full multi-landing network including dedicated Thailand branch
Fiber Pair Density	8 Fiber Pairs (8FP) on main trunk	8 Fiber Pairs (8FP) with high-capacity Thai branching
Target Service Date (RFS)	2Q27E	2030E (Multi-year capital expenditure model)

Sources: VTS

Balance sheet (THB m) Year ending Dec	2024	2025	2026E	2027E	2028E
Current assets					
Cash & ST investment	33,937	45,746	41,952	68,168	104,180
Account receivable	18,778	29,375	29,375	29,375	29,375
Inventories	3,180	3,768	4,544	4,780	4,803
Others	9,284	19,875	27,301	29,458	31,585
Non-current assets					
Net fixed assets	96,536	104,245	100,758	110,270	119,181
Others	542,556	570,802	570,802	570,802	570,802
Total Assets	**704,271**	**773,810**	**774,732**	**812,852**	**859,927**
Current liabilities					
Account payable	6,072	14,644	17,662	18,580	18,668
ST borrowing	56,205	65,421	30,000	30,000	30,000
Others	9,504	15,809	21,016	22,031	23,024
Long-term liabilities					
Long-term debts	259,230	296,739	296,739	296,739	296,739
Others	11,577	15,298	15,298	15,298	15,298
Total liabilities	**342,587**	**407,911**	**380,715**	**382,648**	**383,729**
Paid-up capital	14,940	14,940	14,940	14,940	14,940
Retained earnings	129,516	139,174	162,745	193,900	234,251
Others	187,538	181,559	181,559	181,559	181,559
Minority interest	29,689	30,226	34,772	39,805	45,447
Shareholders' equity	**361,683**	**365,899**	**394,017**	**430,204**	**476,198**

Profit & loss (THB m) Year ending Dec	2024	2025	2026E	2027E	2028E
Revenue	**120,888**	**98,886**	**135,832**	**146,565**	**157,151**
Cost of goods sold	(92,568)	(75,393)	(90,933)	(95,658)	(96,113)
Gross profit	**28,320**	**23,493**	**44,899**	**50,907**	**61,038**
Operating expenses	(4,207)	(3,584)	(4,754)	(5,130)	(5,500)
Operating profit	**24,113**	**19,909**	**40,145**	**45,777**	**55,538**
EBIT	**19,539**	**15,969**	**33,294**	**38,926**	**48,687**
Depreciation	(4,575)	(3,940)	(6,851)	(6,851)	(6,851)
EBITDA	**24,113**	**19,909**	**40,145**	**45,777**	**55,538**
Non-operating income	**3,733**	**61,005**	**4,235**	**4,046**	**5,356**
Other incomes	588	1,901	1,598	1,598	1,598
Other non-op income	3,146	59,104	2,637	2,448	3,758
Non-operating expense	**(11,888)**	**(9,429)**	**(7,814)**	**(7,666)**	**(8,258)**
Interest expense	(11,213)	(9,940)	(8,514)	(8,366)	(8,958)
Other non-op expense	(676)	511	700	700	700
Equity income/(loss)	15,891	18,130	13,036	13,662	15,149
Pre-tax Profit	**27,275**	**85,675**	**42,750**	**48,968**	**60,934**
Extraordinary items	0	0	0	0	0
Current taxation	(682)	(1,294)	(1,486)	(1,765)	(2,289)
Minorities	(5,210)	(4,383)	(4,546)	(5,033)	(5,642)
Net Profit	**21,383**	**79,998**	**36,719**	**42,170**	**53,003**
Core net profit	**21,383**	**79,998**	**36,719**	**42,170**	**53,003**
EPS (THB)	**1.43**	**5.35**	**2.46**	**2.82**	**3.55**
Core EPS (THB)	**1.43**	**5.35**	**2.46**	**2.82**	**3.55**

Key ratios Year ending Dec	2024	2025	2026E	2027E	2028E
Growth (%YoY)					
Sales	6.0	(18.2)	37.4	7.9	7.2
Operating profit	9.0	(17.4)	101.6	14.0	21.3
EBITDA	5.3	(17.4)	101.6	14.0	21.3
Net profit	19.3	274.1	(54.1)	14.8	25.7
Core net profit	14.3	274.1	(54.1)	14.8	25.7
EPS	19.3	274.1	(54.1)	14.8	25.7
Core EPS	14.3	274.1	(54.1)	14.8	25.7
Profitability (%)					
Gross margin	23.4	23.8	33.1	34.7	38.8
Operation margin	19.9	20.1	29.6	31.2	35.3
EBITDA margin	19.9	20.1	29.6	31.2	35.3
Net margin	17.7	80.9	27.0	28.8	33.7
ROE	6.5	24.0	10.6	11.3	12.9
ROA	3.6	10.4	3.8	4.4 -	
Stability					
Interest bearing debt/equity (x)	0.9	1.0	0.8	0.8	0.7
Net debt/equity (x)	0.8	0.9	0.7	0.6	0.5
Interest coverage (x)	1.7	1.6	3.9	4.7	5.4
Interest & ST debt coverage (x)	0.3	0.2	0.9	1.0	1.2
Cash flow interest coverage (x)	0.1	0.2	0.2	0.2	0.2
Current ratio (x)	0.9	1.0	1.5	1.9	2.4
Quick ratio (x)	0.7	0.8	1.0	1.4	1.9
Net debt (THB m)	281,498	316,414	284,787	258,571	222,559
Activity					
Asset turnover (X)	0.2	0.1	0.2	0.2	0.2
Days receivables	60.3	88.9	78.9	73.2	68.2
Days inventory	12.1	16.8	16.7	17.8	18.2
Days payable	30.5	50.1	64.8	69.1	70.7
Cash cycle days	41.9	55.5	30.8	21.8	15.7

Cash flow (THB m) Year ending Dec	2024	2025	2026E	2027E	2028E
Operating cash flow	**33,918**	**95,168**	**57,328**	**62,923**	**74,633**
Net profit	21,383	79,998	36,719	42,170	53,003
Depre.& amortization	4,575	3,940	6,851	6,851	6,851
Change in working capital	(7,931)	(6,900)	723	240	(370)
Others	15,891	18,130	13,036	13,662	15,149
Investment cash flow	**(85,482)**	**(78,597)**	**10,022**	**(2,351)**	**(264)**
Net CAPEX	(35,577)	(41,649)	(3,364)	(16,363)	(15,763)
Change in LT investment	(8,518)	(35,375)	13,386	14,012	15,499
Change in other assets	(41,387)	(1,572)	0	0	0
Free cash flow	**(51,564)**	**16,572**	**67,350**	**60,572**	**74,369**
Financing cash flow	**48,570**	**(4,763)**	**(71,143)**	**(34,357)**	**(38,357)**
Change in share capital	0	0	0	0	0
Net change in debt	32,162	46,725	(35,421)	0	0
Dividend paid	(13,147)	(13,147)	(13,147)	(11,016)	(12,651)
Others	29,554	(38,341)	(22,575)	(23,341)	(25,706)
Net cash flow	**(2,995)**	**11,809**	**(3,794)**	**26,215**	**36,013**

Per share (THB)					
EPS	1.43	5.35	2.46	2.82	3.55
Core EPS	1.43	5.35	2.46	2.82	3.55
CFPS	2.09	5.91	3.22	3.62	4.38
BVPS	22.22	22.47	24.05	26.13	28.83
Sales/share	8.09	6.62	9.09	9.81	10.52
EBITDA/share	1.61	1.33	2.69	3.06	3.72
DPS	0.88	0.88	0.74	0.85	1.06
Valuation					
P/E (x)	40.31	10.96	24.62	21.43	17.05
P/BV (x)	2.60	2.61	2.52	2.32	2.10
Dividend yield (%)	1.53	1.50	1.22	1.40	1.76
Divdend payout ratio (%)	61.48	16.43	30.00	30.00	30.00

GULF DEVELOPMENT (GULF TB) | THAILAND / SET / ENERGY & UTILITIES

ESG Analysis

ESG Assessment	SET ESG	Bloomberg
Environment GULF is advancing its Net Zero pathway by expanding renewable energy, improving the efficiency of gas-fired power plants, and investing in low-carbon technologies, including renewable energy, LNG infrastructure, and digital energy solutions. The company also focuses on greenhouse gas reduction, water stewardship, waste management, and biodiversity conservation across its operations.	AA	4.91
Social GULF emphasizes occupational health and safety, employee capability development, and human rights while supporting communities through education, healthcare, environmental conservation, and disaster relief initiatives. The company maintains active stakeholder engagement to foster long-term shared value.		5.08
Governance GULF maintains robust corporate governance through independent board oversight, enterprise risk management, anti-corruption policies, cybersecurity governance, and transparent ESG reporting. Sustainability considerations are integrated into corporate strategy, investment decisions, and long-term business planning.		3.82
Overall | CG Score: Excellent (5-star) | CAC: Certified		**4.65**

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

Globlex Securities Co., Ltd.

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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Analyst Certification

Suwat Sinsadok, Register No. 020799, Globlex Securities Public Company Limited

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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.