



GUNKUL Gains 4%, Analysts Expect a Skyrocket NP in 1Q, Giving Target price at ฿4.50

วันที่ 28/04/2021

GUNKUL Gains 4%, Analysts Expect a Skyrocket NP in 1Q, Giving Target price at ฿4.50

The share price of Gunkul Engineering Public Company Limited (**GUNKUL**) rose **฿0.16/share** or **4.08%** to **฿4.08/share** at the closing morning session on April 28, with a trading value of 1,726 million baht.

Capital Nomura Securities (CNS) has given a “**BUY**” recommendation on **GUNKUL** with a target price of **฿4.10/share**. Core profit in 1Q21 is expected at 415 million baht (+26%YoY, -27%QoQ) as performance of its wind turbine back normalcy and a recently acquired 100-MW solar farm in Vietnam will start to generate revenue.

For the 2021 outlook, CNS estimated net profit to grow by 52%YoY as wind turbines given appropriate weather. Together with full-year revenue recognition from 100-MW solar farm in Vietnam.

Meanwhile, the hemp farming project is still waiting for the licenses, however, it could begin generating revenue from 1Q22 onwards.

KTBST Securities (KTBST) reiterated a “BUY” rating on GUNKUL but raised a target price to B4.50 from B3.25 based on SOTP. KTBST was increasingly positive about GUNKUL’s upcoming industrial hemp farming following the company’s guidance at an analyst meeting on March 18. GUNKUL aims to produce premium quality of hemp with CBD of 18%, and the phase 1 will grow on a 200-rai land plot, which should produce CBD of 12 tons per year. If the pilot project yields fruitful results, the company will expand hemp farming on 3,000 rais.

Currently licenses for its up-and midstream businesses are in motion. GUNKUL has applied for business licenses for hemp planting and CBD-oil extracting plants. The license for hemp farming should be approved in 3Q21E and the plant would begin COD in late 2021E.