

Irresistibly attractive at THB9.5

- 11% share price collapse within one week proffer undeniably buy
- Gas price downside is limited; data center upside is taking place
- Maintain BUY and a TP of THB13.7; irresistibly attractive at THB9.5

Market's mispricing offers once-in-lifetime buying

BGRIM's share price has collapsed by 11% within only one week from THB10.7 to THB9.5 on 17 June 2025 on investor's grave concern on the spike in global spot LNG price (Japan-Korea-Market), which jumped from USD12.5/mmbtu (+11%) within only 2 days. The intensifying war between Israel and Iran has lifted commodity prices, particularly oil (+15%) and gas (11%).

2/3 SPPs revenue remains BGRIM's Achilles' heels

Thanks to BGRIM's high 2/3 revenue portion and 70% of total 4.1GW capacity from the gas-fired SPPs, whose electricity tariff is directly linked to national pool tariff announced by the regulator every four months, BGRIM's net profit has been not only greatly volatile but also depressingly weakened as the mismatch between the gas cost hike and the tariff rise have been widened on government's intervention. As a result, the higher LNG price will drive BGRIM's and nation's gas cost but the final tariff will be in jeopardy and unpredictable.

But downsides are limited; at worst 22% EBITDA margin

Based on our estimate, BGRIM's EBITDA margin is 20%, we think future downsides for BGRIM from the spike in LNG price (gas cost) and tariff cap (by government) will be limited given 1) Thailand will import far 20-30% lower spot-priced LNG in 2H25 given the higher gas production in the Gulf of Thailand (mainly G1/G2 fields); 2) the LNG price is unlikely to spike to USD50/mmbtu seen in 2022 when European gas demand for imported LNG suddenly shot up after the ban on Russian gas import, causing global spot LNG price to spike from USD3/mmbtu to USD50/mmbtu peak. However, currently the ongoing Israel-Iran war, whether eventually expanded into a war with US or not, is unlikely to drive LNG price to USD50/mmbtu thanks to higher LNG export from US.

Upside from data center venture is still overlooked

On 10 June 2025, BGRIM's move to join Digital Edge for the data center business in Thailand with a total investment of THB24.5b for 96MW data center. With a 40% stake in JV, BGRIM should see a gradual but visible and significant net profit growth from data center unit starting 2027 onwards. We estimate that BGRIM will add THB50m net profit from data center in 2027, rising to THB0.2b annually by 2030.

Too attractive to ignore; too much growth to overlook

Maintain BUY and a TP of THB13.7. At THB9.5, BGRIM is trading at only 12x 2025E and 10x 2026E P/E, and even more attractive if we extend our P/E into 2027-30 when BGRIM will begin to add net profits from data center of THB50m-THB0.2b (2% in 2027, 8% in 2028).

ESG Rating : AAA

CG Rating : ▲▲▲▲▲

BUY

Target Price 12M (THB)	13.70
VS. BB Consensus TP (%)	-10.5%
Share Price (THB)	9.50
Upside/Downside	+44.2%

Share Data

Market Cap (THB m)	24,765.55
Par (THB)	2.00
Free Float (%)	31.61
Issued shares (m shares)	2,607

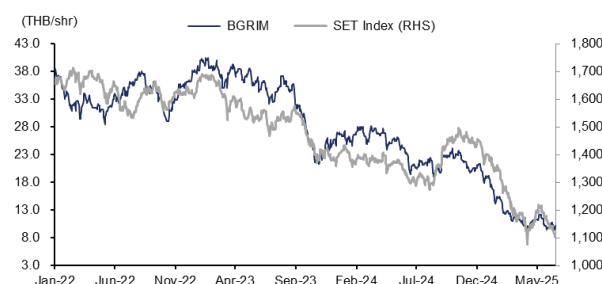
Financial forecast

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	55,853	63,721	65,873	73,545
Net profit	1,557	2,143	2,407	2,874
Core net profit	1,729	2,143	2,407	2,874
vs Consensus (%)		8.7	5.9	7.7
Net profit growth (%)	(17.4)	37.6	12.3	19.4
Core net profit growth (%)	(16.0)	23.9	12.3	19.4
EPS (THB)	0.60	0.82	0.92	1.10
Core EPS (THB)	0.66	0.82	0.92	1.10
Chg from previous (%)		0.00	0.00	0.00
DPS (THB)	0.43	0.33	0.37	0.44
P/E (x)	32.65	11.56	10.29	8.62
P/BV (x)	1.41	0.67	0.64	0.61
ROE (%)	4.66	5.85	6.35	7.27
Dividend yield (%)	2.21	3.46	3.89	4.64

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(17.39)	(17.39)	(51.78)	(51.28)
Market	(11.29)	(13.19)	(39.54)	(38.74)
12M High/Low (THB)				24.80 / 8.90



Major Shareholders (%) as of 14 Mar 2025

Mr. Harald Link	23.83
UBS AG Hong Kong Branch	23.24
B.Grimm Power (Singapore) Pte.Ltd.	10.49

Company Profile

A holding company holding shares in other companies of which the core business is generation and sale of electricity and steam and related business in Thailand and other countries

Source: SETSMART, SET

Analyst

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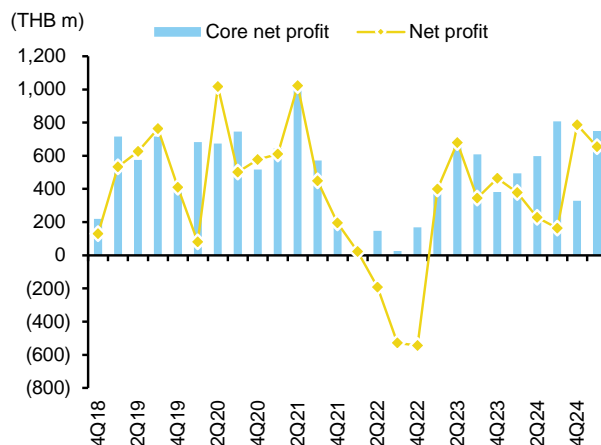
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Exhibit 1: NYMEX - LNG Japan/Korea Marker Platts Futures Price at USD14/mmbtu on 18 June 2025



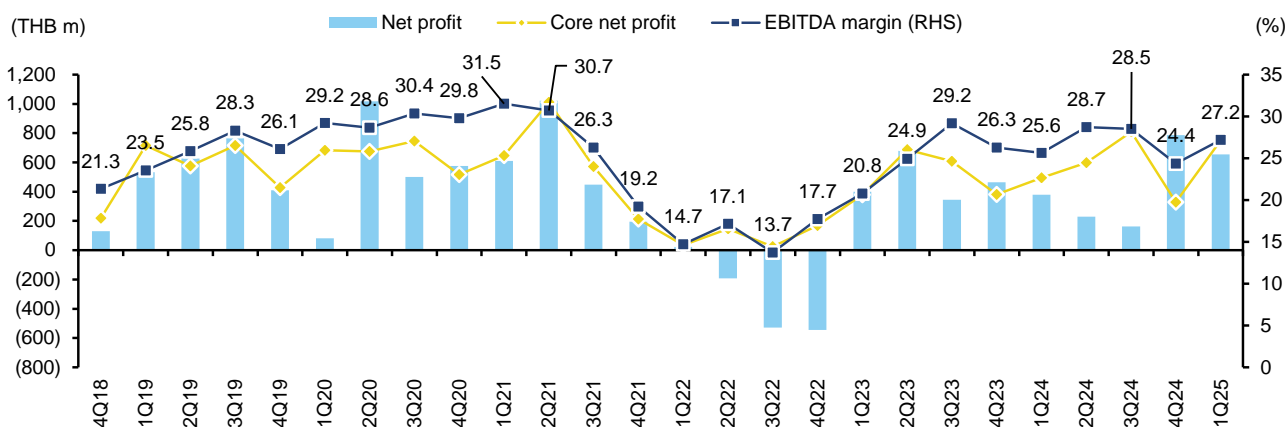
Sources: MacroMicro

Exhibit 2: Core and net profit

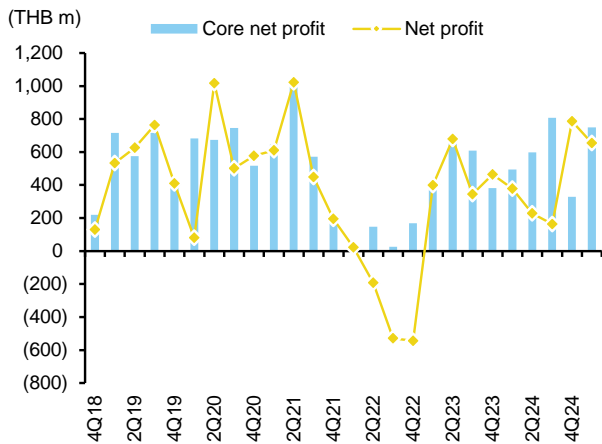


Sources: BGRIM; Globlex Research

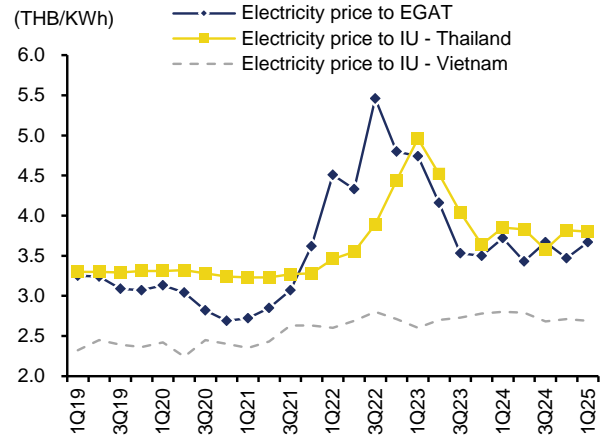
Exhibit 3: BGRIM's breakeven EBITDA margin is estimated at 20%



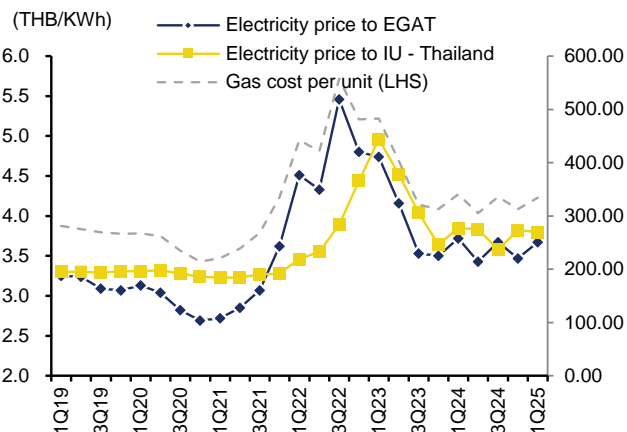
Sources: BGRIM

Exhibit 4: Core net profit vs net profit

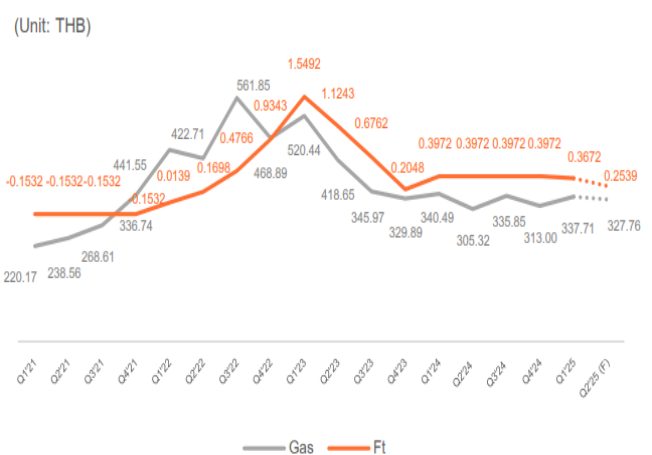
Sources: BGRIM

Exhibit 5: Electricity prices (EGAT, IUs)

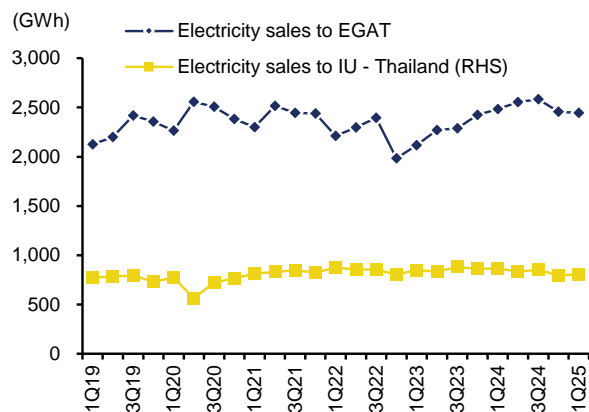
Sources: BGRIM

Exhibit 6: ASP: electricity to EGAT, IU, and gas cost

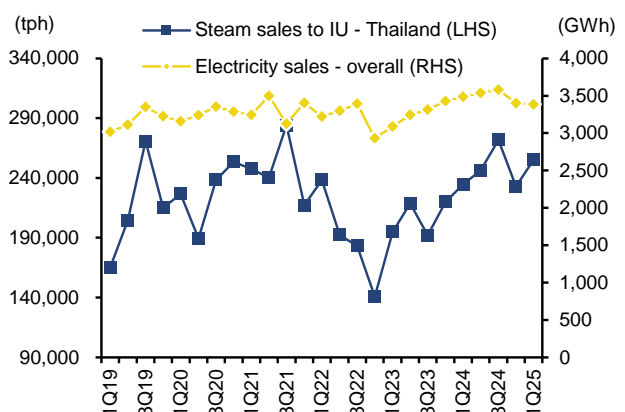
Sources: BGRIM

Exhibit 7: Gas price vs Fuel Tariff

Sources: BGRIM

Exhibit 8: Electricity sales volume to EGAT and Industrial Users

Sources: BGRIM

Exhibit 9: Steam sales volume to Industrial Users vs electricity sales volume to EGAT

Sources: BGRIM

Balance sheet (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Current assets					
Cash & ST investment	28,439	18,785	5,785	6,709	1,364
Account receivable	10,009	14,851	18,037	21,331	22,066
Inventories	929	2,121	2,485	2,562	2,927
Others	14,350	10,669	12,046	12,423	13,765
Non-current assets					
Net fixed assets	93,909	92,118	104,092	115,911	127,601
Others	29,400	42,357	42,357	42,357	42,357
Total Assets	177,036	180,901	184,801	201,292	210,080

Current liabilities					
Account payable	8,048	7,744	9,072	9,355	10,687
ST borrowing	8,119	22,981	21,000	33,000	36,000
Others	1,317	790	2,237	2,268	2,376
Long-term liabilities					
Long-term debts	101,313	92,650	92,650	92,650	92,650
Others	5,537	5,065	5,065	5,065	5,065
Total liabilities	124,334	129,229	130,024	142,338	146,778
Paid-up capital	5,214	5,214	5,214	5,214	5,214
Retained earnings	6,064	5,765	6,827	8,324	10,142
Others	26,850	25,108	25,108	25,108	25,108
Minority interest	14,575	15,585	17,628	20,308	22,839
Shareholders' equity	52,703	51,672	54,777	58,954	63,303

Key ratios					
Year ending Dec	2023	2024	2025E	2026E	2027E
Growth (%YoY)					
Sales	(8.5)	(2.2)	14.1	3.4	11.6
Operating profit	39.6	2.9	5.1	6.0	4.5
EBITDA	39.6	2.9	5.1	6.0	4.5
Net profit	251.5	(17.4)	37.6	12.3	19.4
Core net profit	448.3	(16.0)	23.9	12.3	19.4
EPS	251.5	(17.4)	37.6	12.3	19.4
Core EPS	448.3	(16.0)	23.9	12.3	19.4
Profitability (%)					
Gross margin	27.3	29.1	27.2	27.4	25.7
Operation margin	23.3	24.5	22.6	23.2	21.7
EBITDA margin	23.3	24.5	22.6	23.2	21.7
Net margin	3.3	2.8	3.4	3.7	3.9
ROE	6.1	4.7	5.9	6.4	7.3
ROA	4.6	4.4	1.7	2.0	2.1
Stability					
Interest bearing debt/equity (x)	2.1	2.2	2.1	2.1	2.0
Net debt/equity (x)	1.5	1.9	2.0	2.0	2.0
Interest coverage (x)	1.5	1.4	1.5	1.6	1.7
Interest & ST debt coverage (x)	0.6	0.3	0.3	0.2	0.2
Cash flow interest coverage (x)	0.0	0.0	0.0	0.0	0.1
Current ratio (x)	3.1	1.5	1.2	1.0	0.8
Quick ratio (x)	2.2	1.1	0.7	0.6	0.5
Net debt (THB m)	80,993	96,846	107,865	118,942	127,286
Activity					
Asset turnover (X)	0.3	0.3	0.3	0.3	0.4
Days receivables	61.5	81.2	94.2	109.1	107.7
Days inventory	7.7	14.1	18.1	19.3	18.3
Days payable	70.6	72.8	66.2	70.3	66.9
Cash cycle days	(1.3)	22.5	46.1	58.0	59.1

Profit & loss (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Revenue					
Revenue	57,115	55,853	63,721	65,873	73,545
Cost of goods sold	(41,508)	(39,589)	(46,380)	(47,829)	(54,634)
Gross profit	15,607	16,264	17,341	18,045	18,911
Operating expenses	(2,285)	(2,557)	(2,931)	(2,767)	(2,942)
Operating profit	13,321	13,707	14,410	15,278	15,969
EBIT	7,904	8,049	8,384	9,097	9,660
Depreciation	(5,418)	(5,658)	(6,027)	(6,181)	(6,309)
EBITDA	13,321	13,707	14,410	15,278	15,969
Non-operating income					
Other incomes	1,114	1,170	500	863	653
Other non-op income	0	0	0	0	0
Non-operating expense	(5,138)	(5,693)	(5,732)	(5,743)	(5,722)
Interest expense	(5,177)	(5,554)	(5,732)	(5,743)	(5,722)
Other non-op expense	39	(139)	0	0	0
Equity income/(loss)	93	40	1,270	1,276	1,336
Pre-tax Profit	3,973	3,567	4,422	5,492	5,927
Extraordinary items					
Current taxation	(288)	(396)	(236)	(406)	(522)
Minorities	(1,800)	(1,614)	(2,043)	(2,680)	(2,531)
Net Profit	1,885	1,557	2,143	2,407	2,874
Core net profit	2,058	1,729	2,143	2,407	2,874
EPS (THB)	0.72	0.60	0.82	0.92	1.10
Core EPS (THB)	0.79	0.66	0.82	0.92	1.10

Cash flow (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Operating cash flow					
Net profit	1,885	1,557	2,143	2,407	2,874
Depre. & amortization	5,418	5,658	6,027	6,181	6,309
Change in working capital	(5,550)	(3,496)	(3,487)	(3,434)	(1,003)
Others	93	40	1,270	1,276	1,336
Investment cash flow	(3,141)	(11,716)	(16,730)	(16,724)	(16,664)
Net CAPEX	(5,256)	(3,867)	(18,000)	(18,000)	(18,000)
Change in LT investment	1,345	(9,856)	1,270	1,276	1,336
Change in other assets	769	2,008	0	0	0
Free cash flow	(1,295)	(7,957)	(10,778)	(10,295)	(7,148)
Financing cash flow	(57)	(2,010)	(2,222)	11,218	1,803
Change in share capital	0	0	0	0	0
Net change in debt	(4,977)	6,199	(1,981)	12,000	3,000
Dividend paid	(938)	(1,121)	(1,080)	(910)	(1,056)
Others	5,858	(7,087)	839	128	(141)
Net cash flow	(1,353)	(9,967)	(13,000)	924	(5,345)

Per share (THB)					
EPS	0.72	0.60	0.82	0.92	1.10
Core EPS	0.79	0.66	0.82	0.92	1.10
CFPS	3.49	3.39	3.92	4.32	4.49
BVPS	14.63	13.84	14.25	14.82	15.52
Sales/share	21.91	21.43	24.44	25.27	28.21
EBITDA/share	5.11	5.26	5.53	5.86	6.13
DPS	0.36	0.43	0.33	0.37	0.44
Valuation					
P/E (x)	37.69	32.65	11.56	10.29	8.62
P/BV (x)	1.86	1.41	0.67	0.64	0.61
Dividend yield (%)	1.32	2.21	3.46	3.89	4.64
Dividend payout ratio (%)	49.80	72.00	40.00	40.00	40.00

GENERAL DISCLAIMER

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.