

Risks, Reality, and Recovery Paths

- Ongoing negotiations and possible contract adjustments will be key to mitigating potential profit losses from tariff reductions.
- 2-cent tariff cut, may reduce annually profit by THB360-400m.
- Maintain BUY and a SoTP TP of THB13.7

Vietnam's FiT policy shake-up

Following investor concerns, Vietnam's tariff policy shake-up has raised red flags across the renewable energy sector. Regulatory uncertainty increased after the Government Inspectorate challenged the MOIT's Commissioning Acceptance Certificates (CCA), stating that projects without a valid CCA are not eligible for FiT. EVN's unilateral enforcement of temporary FiT on more than 170 wind and solar projects—without mutual agreement—has triggered strong investor backlash. This situation raises broader concerns over policy credibility and consistency, increasing default risks and potentially weakening the legal basis of long-term PPAs.

BGRIM's receivables reflect temporary tariff shortfall

According to the con call, BGRIM confirmed that Phu Yen TTP (80% stake, 257MW) and Dau Tieng Tay Ninh Energy (DTE, 100% stake, 240MW) solar projects achieved COD in Jun-19 but received CCA from the MOIT in 2020. EVN adjusted tariffs based on the later CCA date, leading to partial payments at a temporary rate of USD7.09 cents/kWh instead of the FiT of USD9.35 cents/kWh. BGRIM has recognized the 2-cent difference as accounts receivable, recorded from Jan-April25, amounting to approximately THB180-200m.

Negotiations underway

Since BGRIM has fully complied with all regulatory requirements, it is expected that revenue recognition will be restored as negotiations are currently ongoing. There is also potential for discussions to extend the contract term to maintain the original IRR level. Additionally, selling power directly through PPAs instead of via EVN is being considered as an alternative. In the worst-case scenario, if the tariff is permanently reduced to USD7.09 cent/kWh, net profit could decline by THB360-400m annually, equivalent to THB0.14-0.15/share.

BGRIM's renewables pipeline supports future earnings

We are more optimistic on BGRIM's earnings outlook in 2H25, supported by 1) stable q-q margins despite a lower electricity tariff, thanks to the projected decline in pool gas prices, 2) a q-q stronger sales volume due to seasonality; and 3) contributions from new projects in 2025–26, including the 10 MWe KOPOS wind in South Korea, 19 MWe IBS solar in Thailand, 65 MW ARECO1 solar in the Philippines, and the 179 MWe Nakwol1 wind in South Korea.

Maintain BUY and a SoTP TP of THB13.7

We maintain BUY with a THB13.7 SoTP-based TP. Market concerns over Thailand's tariff cap and Vietnam's FiT issue appear overdone. Falling gas costs should offset tariff pressure, while BGRIM's regulatory compliance in Vietnam suggests limited downside.

Analyst

Siriluck Pinthusoonthorn
Siriluck@globlex.co.th,
+662 672 5806

Suwat Sinsadok, CFA, FRM, ERP
suwat.s@globlex.co.th,
+662 687 7026

ESG Rating : AAA

CG Rating : ▲▲▲▲▲

BUY

Target Price 12M (THB)	13.70
VS. BB Consensus TP (%)	-14.7%
Share Price (THB)	9.50
Upside/Downside	+44.2%

Share Data

Market Cap (THB m)	24,765.55
Par (THB)	2.00
Free Float (%)	31.57
Issued shares (m shares)	2,607

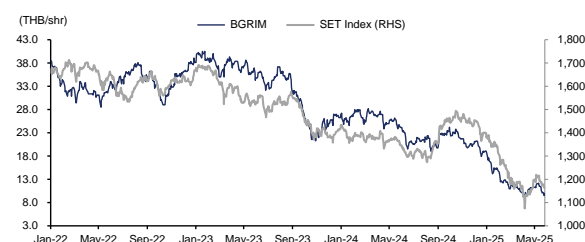
Financial forecast

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	3.1	7.2
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	(15.18)	(18.10)	(53.66)	(51.28)
Market	(15.50)	(14.42)	(43.02)	(41.37)
12M High/Low (THB)				25.75 / 8.90



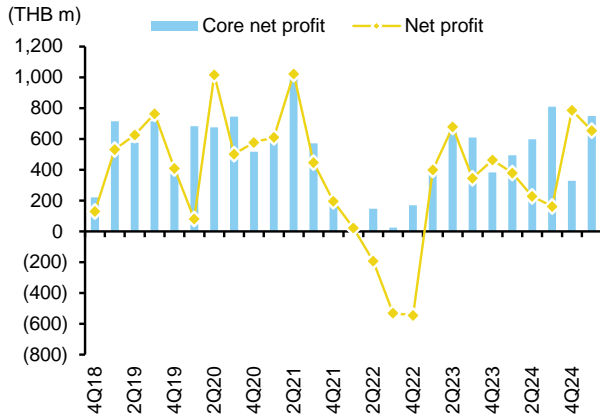
Major Shareholders (%) as of 14 Mar 2025

Mr. Harald Link	23.83
UBS AG Hong Kong Branch	23.24
B.Grimm Power (Singapore) Pte.Ltd.	10.49
B. Grimm Joint Venture Holding Company Limited	7.80

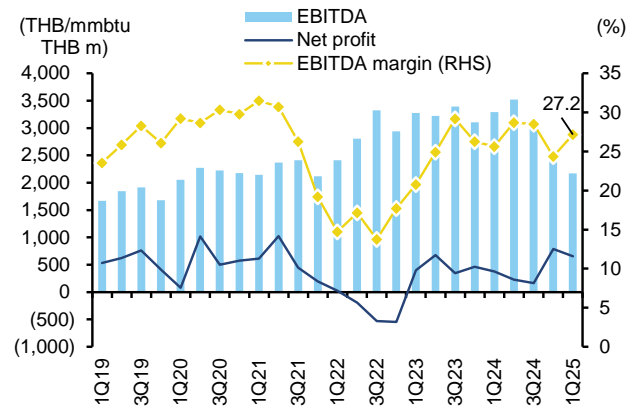
Company Profile

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.

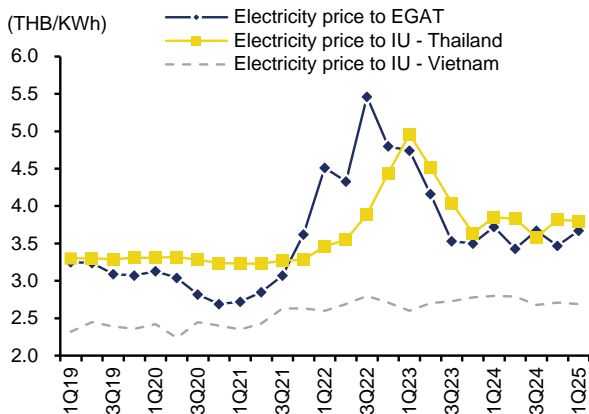
Source: SETSMART, SET

Exhibit 1: Net profit, core net profit

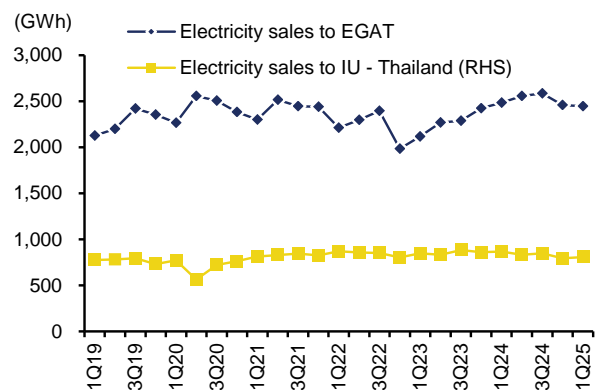
Sources: BGRIM

Exhibit 2: Breakeven EBITDA margin, net profit, EBITDA

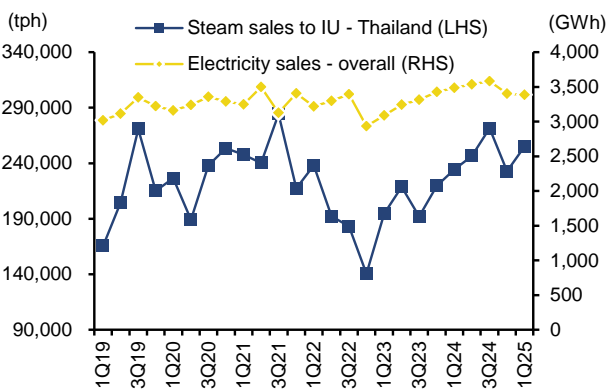
Sources: BGRIM

Exhibit 3: Electricity tariff

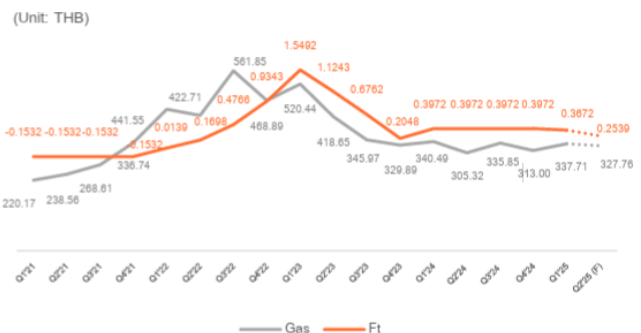
Sources: BGRIM

Exhibit 4: Electricity sales volume

Sources: BGRIM

Exhibit 5: Electricity vs Stream sales volume

Sources: BGRIM

Exhibit 6: gas price and Ft

Sources: BGRIM

Exhibit 7: Valuation and SoTP target price

Cost of equity assumptions (%)			Cost of debt assumptions (%)		
Risk free rate	2.3		Pretax cost of debt	4.2	
Market risk premium	8.5		Marginal tax rate	20.0	
Stock beta	1.28				
Cost of equity, Ke	13.2		Net cost of debt, Kd	3.4	
Weight applied	20.0		Weight applied	80.0	
WACC (%)	5.3				

DCF valuation estimate	MW	%	Equity Capacity	THB/share	Comments
SPP					
Amata Nakorn (ABP3-5)	395	57	226	1.3	WACC 5.3%, RF 2.3%, RPM 8.5%
Amata Nakorn (ABP1R&2R)	280	51	143	2.0	WACC 5.3%, RF 2.3%, RPM 8.5%
Amata City (ABPR1-5)	647	58	374	7.6	WACC 5.3%, RF 2.3%, RPM 8.5%
Learn Chabang (BPLC1R-2)	196	82	161	2.7	WACC 5.3%, RF 2.3%, RPM 8.5%
Bangkadi (BIP1-2)	229	74	170	1.8	WACC 5.3%, RF 2.3%, RPM 8.5%
WHA Chonburi1 (BPWHA1)	130	75	98	1.2	WACC 5.3%, RF 2.3%, RPM 8.5%
Asia (Map Ta Phut) (BGPM1&2R)	280	70	196	3.5	WACC 5.3%, RF 2.3%, RPM 8.5%
S-Anghong (BGPAT1-3)	403	70	282	2.2	WACC 5.3%, RF 2.3%, RPM 8.5%
Lad Krabang (PPTC)	127	34	43	0.5	WACC 5.3%, RF 2.3%, RPM 8.5%
Bangpoo (SSUT)	240	45	108	1.3	WACC 5.3%, RF 2.3%, RPM 8.5%
Amata City (Bien Hoa) (APB)	13	31	4	0.0	WACC 5.3%, RF 2.3%, RPM 8.5%
VSPP					
Solar-Thailand	163	85	139	0.3	WACC 5.3%, RF 2.3%, RPM 8.5%
Solar-Vietnam (Dau Tieng)	240	100	240	0.1	WACC 8%, RF 5%, RPM 7.5%
Solar-Vietnam (Phu Yen)	257	80	206	0.1	WACC 8%, RF 5%, RPM 7.5%
Solar-Cambodia (Ray)	39	100	39	0.1	WACC 5.3%, RF 2.3%, RPM 8.5%
Solar-Malaysia (reNIKOLA)	178	41	72	0.0	WACC 5.3%, RF 2.3%, RPM 8.5%
Solar-South Korea (SEBIT)	99	34	34	0.2	WACC 5.3%, RF 2.3%, RPM 8.5%
Solar rooftop-Thailand, Philippines, ME	71	72	51	0.3	WACC 5.3%, RF 2.3%, RPM 8.5%
Hydropower-Laos (XXHP, Nam Che1, Malacha)	56	82	46	0.1	WACC 5.3%, RF 2.3%, RPM 8.5%
Wind-Thailand (BTW)	16	92	15	0.1	WACC 5.3%, RF 2.3%, RPM 8.5%
Industrial waste-Thailand (PIC)	5	48	2	0.0	WACC 5.3%, RF 2.3%, RPM 8.5%
Solar-Japan (GIFU)	20	49	10	0.1	WACC 5.3%, RF 2.3%, RPM 8.5%
Wind-South Korea (KOPOS)	24	50	12	0.0	WACC 5.3%, RF 2.3%, RPM 8.5%
Upcoming project					
Solar-Thailand (IBS) (2025)	76	25	19	0.1	WACC 5.3%, RF 2.3%, RPM 8.5%
Solar rooftop - Middle East (386) (2025)	30	40	12	0.1	WACC 8%, RF 5%, RPM 7.5%
Wind-Vietnam (Huong Hoa1) (2025)	48	80	38	0.7	WACC 8%, RF 5%, RPM 7.5%
Wind-South Korea (Nokwol & Myungwoon) (2025-26)	365	80	292	1.7	WACC 5.3%, RF 2.3%, RPM 8.5%
Net debt				(14.6)	
Residual ordinary equity				13.7	

Sources: BGRIM; Globlex Research

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					
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					
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

Siriluck Pinthusoonthorn, Register No. 119539, 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.