

## Enters the Data Age

- BGRIM enters data center market via JV with Digital Edge
- 96MW in EEC to drive long-term growth, with NP starting in 2027
- Maintain BUY and a SoTP TP of THB13.7

### BGRIM's gateway to the digital future

On 10 June 2025, BGRIM announced a joint venture with Digital Edge, a leading Asia-Pacific data center platform supported by global infrastructure investor Stonepeak. The joint venture, named Digital Edge B.Grimm (TH) Holding Pte. Ltd., represents BGRIM's strategic entry into Thailand's growing data center market with 40% stake. Digital Edge, based in Singapore, manages 24 data centers across 7 countries, mainly serving hyperscale clients. The total investment is estimated at THB24.5b for a 96MW greenfield data center.

### Costly beginnings, Promising horizons

The first project under this joint venture is a 96MW greenfield data center located in Thailand's EEC, designed to serve hyperscale customers expanding their presence in the region. The initial phase of 48MW is expected to begin COD in 6MW increments starting from 4Q26, with full COD achieved by end-2028. We estimate that BGRIM will start recognizing profit of approximately THB50m in 2027, gradually increasing to THB200m per year by 2030. This reflects the timing mismatch between front-loaded operating costs and the staggered COD schedule, along with relatively high financing costs at estimated interest rates of 5–6%, with an expected IRR of 10–12%, in our view.

### Data centers on the rise

The global data center market is expanding rapidly, driven by rising demand for cloud computing, AI, and digital services. About 10 GW of new capacity is expected to begin construction in 2025, with strong momentum through 2027, particularly in Asia-Pacific. In Thailand, demand is projected to grow from 150MW to 1.1GW by 2035, supported by 5G rollout, digital initiatives, and increased cloud adoption. We believe this JV enables BGRIM to tap into high-growth digital infrastructure by leveraging Digital Edge's expertise, in line with its long-term strategy.

### Renewables first, Digital next

BGRIM plans THB136b investment from 2024–30, with 85% allocated to renewables to support its 10 GW capacity target by 2030. Beyond core renewables, BGRIM also aims to diversify into digital infrastructure, targeting 300 MW of data center capacity in Thailand and overseas by 2030. As of 1Q24, BGRIM maintains a consolidated IBD/E ratio of 1.86x - below its 3x bank covenant, THB21.4b cash and THB13.8b working capital.

### Maintain BUY and a SoTP TP of THB13.7

While near-term concerns on Thailand's tariff cap and Vietnam's FIT transition remain, we see limited downside risk. The JV with Digital Edge marks a strategic move into high-growth digital infrastructure, supporting BGRIM's shift beyond core renewables.

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ESG Rating : AAA

CG Rating : ▲▲▲▲▲

## BUY

<b>Target Price 12M (THB)</b>	<b>13.70</b>
VS. BB Consensus TP (%)	-10.6%
Share Price (THB)	10.40
Upside/Downside	+31.7%

### Share Data

Market Cap (THB m)	27,111.76
Par (THB)	2.00
Free Float (%)	31.57
Issued shares (m shares)	2,607

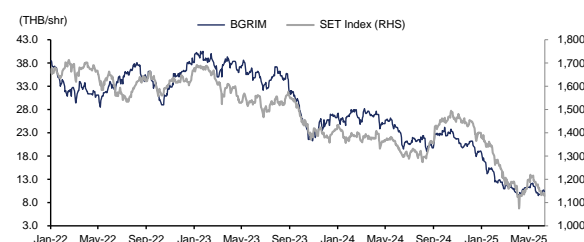
### Financial forecast

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	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	12.65	11.26	9.43
P/BV (x)	1.41	0.73	0.70	0.67
ROE (%)	4.66	5.85	6.35	7.27
Dividend yield (%)	2.21	3.16	3.55	4.24

Source: Financial Statement and Globlex securities

### Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(14.05)	(14.75)	(51.63)	(46.67)
Market	(8.83)	(11.32)	(38.85)	(34.58)
12M High/Low (THB)				24.80 / 8.90



### Major Shareholders (%) as of 14 Mar 2025

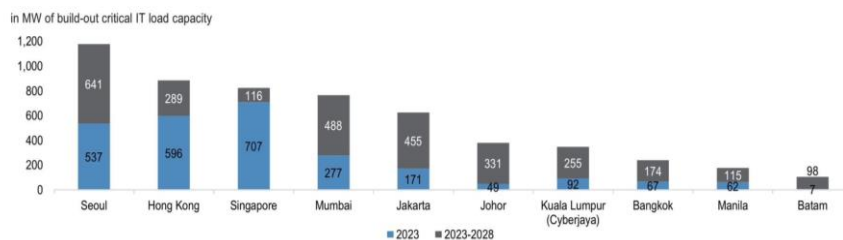
Mr. Harald Link	23.83
UBS AG Hong Kong Branch	23.24
B.Grimm Power (Singapore) Pte.Ltd.	10.49
B. Grimm Joint Venture Holding Company Limited	7.80

### 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: Data center capacity in ASEAN and key market



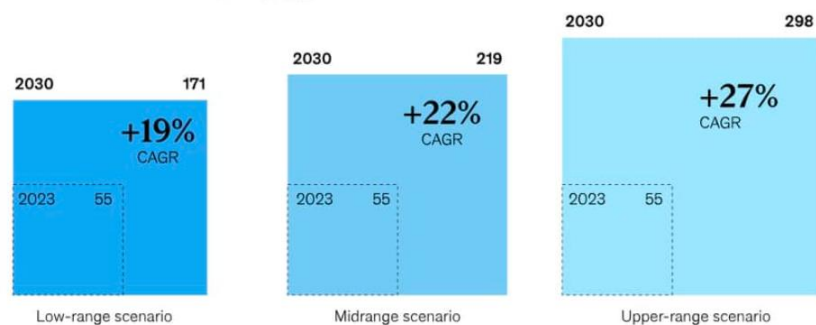
Source: Structure Research.

Sources: Structure Research

### Exhibit 2: Global data center demand

Global demand for data center capacity could more than triple by 2030.

Demand for data center capacity,<sup>1</sup> gigawatts

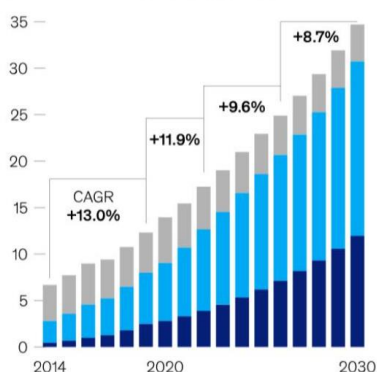


Sources: McKinsey &amp; Company

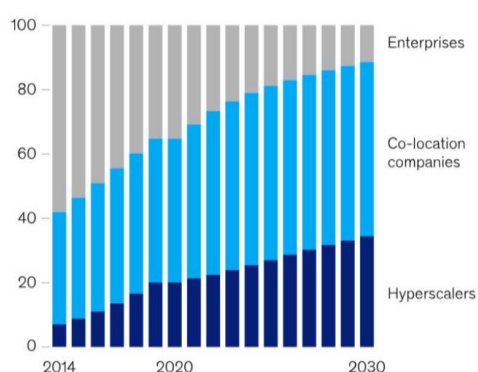
### Exhibit 3: Data center power consumption

US data center demand is forecast to grow by some 10 percent a year until 2030.

Data center power consumption, by providers/enterprises,<sup>1</sup> gigawatts



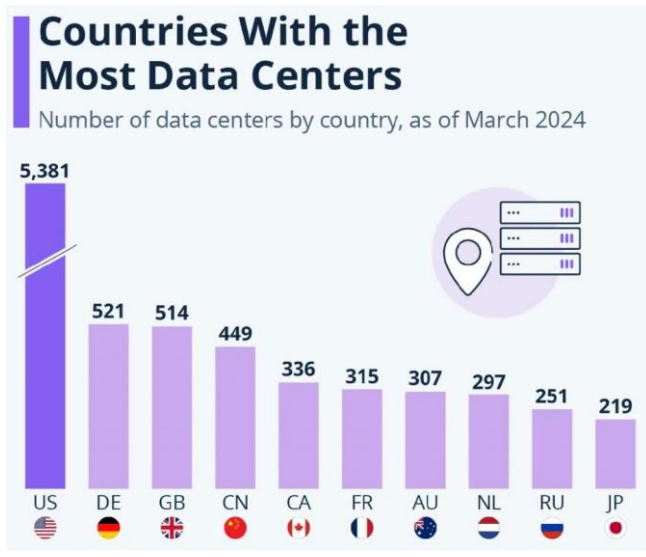
Data center power consumption, by providers/enterprises,<sup>1</sup> % share



<sup>1</sup>Demand is measured by power consumption to reflect the number of servers a data center can house. Demand includes megawatts for storage, servers, and networks.

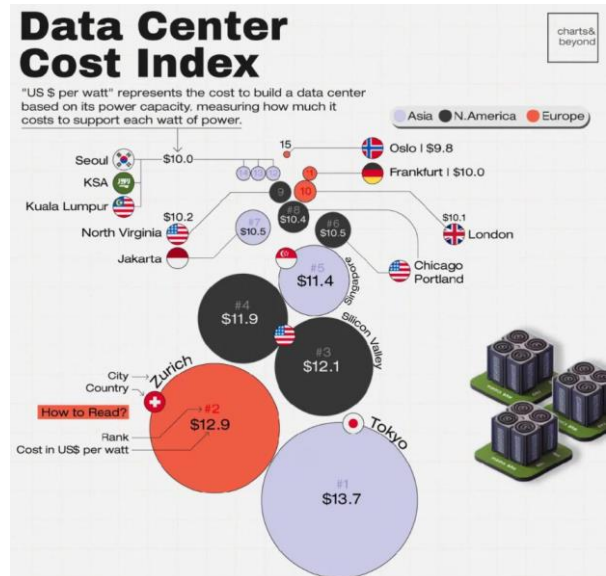
Sources: McKinsey &amp; Company

Exhibit 4: Number of data center by country



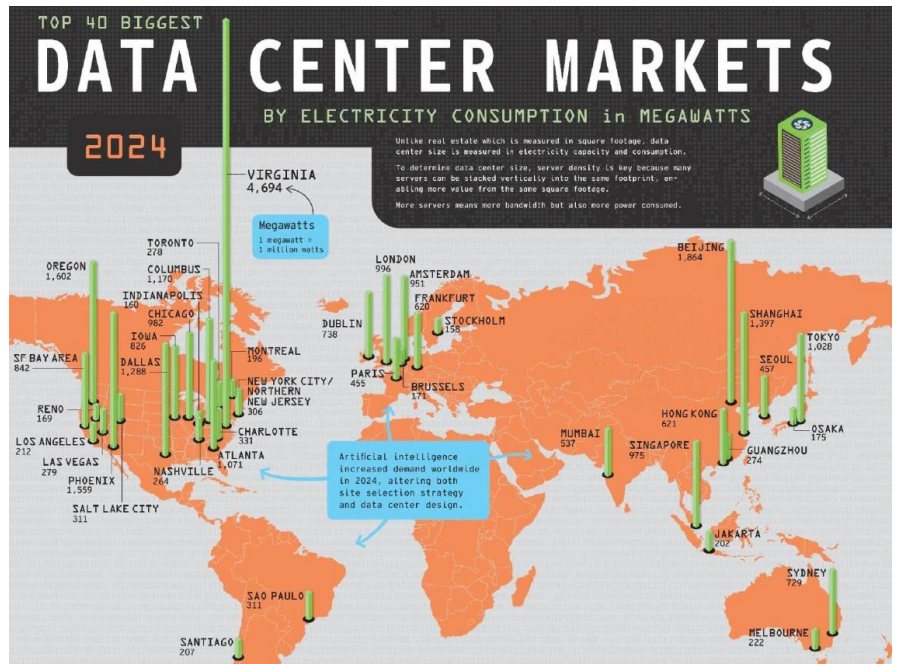
Sources: cloudscene

Exhibit 5: Data center cost



Sources: charts\_and\_beyond

Exhibit 6: Data center market by electricity consumption



Sources: Cushman &amp; Wakefield

Balance sheet (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Current assets</b>					
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
<b>Non-current assets</b>					
Net fixed assets	93,909	92,118	104,092	115,911	127,601
Others	29,400	42,357	42,357	42,357	42,357
<b>Total Assets</b>	<b>177,036</b>	<b>180,901</b>	<b>184,801</b>	<b>201,292</b>	<b>210,080</b>

<b>Current liabilities</b>					
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
<b>Long-term liabilities</b>					
Long-term debts	101,313	92,650	92,650	92,650	92,650
Others	5,537	5,065	5,065	5,065	5,065
<b>Total liabilities</b>	<b>124,334</b>	<b>129,229</b>	<b>130,024</b>	<b>142,338</b>	<b>146,778</b>
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
<b>Shareholders' equity</b>	<b>52,703</b>	<b>51,672</b>	<b>54,777</b>	<b>58,954</b>	<b>63,303</b>

Key ratios					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Growth (%YoY)</b>					
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
<b>Profitability (%)</b>					
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
<b>Stability</b>					
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
<b>Activity</b>					
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
<b>Revenue</b>					
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)
<b>Gross profit</b>	<b>15,607</b>	<b>16,264</b>	<b>17,341</b>	<b>18,045</b>	<b>18,911</b>
Operating expenses	(2,285)	(2,557)	(2,931)	(2,767)	(2,942)
<b>Operating profit</b>	<b>13,321</b>	<b>13,707</b>	<b>14,410</b>	<b>15,278</b>	<b>15,969</b>
<b>EBIT</b>	<b>7,904</b>	<b>8,049</b>	<b>8,384</b>	<b>9,097</b>	<b>9,660</b>
Depreciation	(5,418)	(5,658)	(6,027)	(6,181)	(6,309)
<b>EBITDA</b>	<b>13,321</b>	<b>13,707</b>	<b>14,410</b>	<b>15,278</b>	<b>15,969</b>
<b>Non-operating income</b>					
Other incomes	1,114	1,170	500	863	653
Other non-op income	0	0	0	0	0
<b>Non-operating expense</b>	<b>(5,138)</b>	<b>(5,693)</b>	<b>(5,732)</b>	<b>(5,743)</b>	<b>(5,722)</b>
Interest expense	(5,177)	(5,554)	(5,732)	(5,743)	(5,722)
Other non-op expense	39	(139)	0	0	0
<b>Equity income/(loss)</b>	<b>93</b>	<b>40</b>	<b>1,270</b>	<b>1,276</b>	<b>1,336</b>
<b>Pre-tax Profit</b>	<b>3,973</b>	<b>3,567</b>	<b>4,422</b>	<b>5,492</b>	<b>5,927</b>
Extraordinary items					
Current taxation	(288)	(396)	(236)	(406)	(522)
Minorities	(1,800)	(1,614)	(2,043)	(2,680)	(2,531)
<b>Net Profit</b>	<b>1,885</b>	<b>1,557</b>	<b>2,143</b>	<b>2,407</b>	<b>2,874</b>
<b>Core net profit</b>	<b>2,058</b>	<b>1,729</b>	<b>2,143</b>	<b>2,407</b>	<b>2,874</b>
<b>EPS (THB)</b>	<b>0.72</b>	<b>0.60</b>	<b>0.82</b>	<b>0.92</b>	<b>1.10</b>
<b>Core EPS (THB)</b>	<b>0.79</b>	<b>0.66</b>	<b>0.82</b>	<b>0.92</b>	<b>1.10</b>

Cash flow (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Operating cash flow</b>					
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
<b>Investment cash flow</b>	<b>(3,141)</b>	<b>(11,716)</b>	<b>(16,730)</b>	<b>(16,724)</b>	<b>(16,664)</b>
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
<b>Free cash flow</b>	<b>(1,295)</b>	<b>(7,957)</b>	<b>(10,778)</b>	<b>(10,295)</b>	<b>(7,148)</b>
<b>Financing cash flow</b>	<b>(57)</b>	<b>(2,010)</b>	<b>(2,222)</b>	<b>11,218</b>	<b>1,803</b>
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)
<b>Net cash flow</b>	<b>(1,353)</b>	<b>(9,967)</b>	<b>(13,000)</b>	<b>924</b>	<b>(5,345)</b>

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
<b>Valuation</b>					
P/E (x)	37.69	32.65	12.65	11.26	9.43
P/BV (x)	1.86	1.41	0.73	0.70	0.67
Dividend yield (%)	1.32	2.21	3.16	3.55	4.24
Dividend payout ratio (%)	49.80	72.00	40.00	40.00	40.00

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### Analyst Certification

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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.