

## Powered by juggernaut PJM

- Leapfrogged net profit growth from PJM is confirmed by management during a 2Q25 analyst meeting
- Multiple one-off expenses are behind; multiple growth projects are on horizon
- Maintain BUY and a SoTP TP of THB12

### Ballooning growth from PJM overshadows other projects

During an analyst meeting, management confirmed that BCPG will reap the benefits of the rising capacity payment and energy payment in the form of spark spread starting in June 2025-May 2026 for the first phase. We project net profit from PJM's equity income to jump from THB0.9b in 2024 to THB1.1.9b in 2025-26, THB3.0b in 2027E, contributing 58%-75% of BCPG's total net profits in 2025-27.

### Leapfrogged PJM's incomes from capacity/energy payments

Based on USD270/MW-day capacity payment, up from USD28.9/MW-day in June 2024-May 2025, we estimate that capacity payment will rise from THB139m in 2024 to THB1.3B in 2025. The equity income from the spark spread (gross margin) will rise even higher from USD0.01/kWh in 2024 to USD0.025/kWh in 2025, driving up revenue from energy payment from THB1.6b in 2024 to THB4.1b in 2025.

### Lower capex/ growth projects on track

In 2H25, BCPG will lower its capex spending by significant amount as the large-scale project targeted under BCPG's M&A plan is likely to take longer than the company expected. Meanwhile the company's other growth projects besides PJM, are all on track, including the 600MW wind farm Monsoon in Laos (COD in 2H25E), the 99MW wind farm in Vietnam (COD in 2H25E), and the 160MW solar farm in Taiwan.

### 2Q25 kitchen sink should follow by no impairment or write-offs

Looking ahead, management reaffirmed that there is a remote chance for additional impairment loss or any write-off expenses in 2H25 onwards, considering that BCPG has already completed its "kitchen sink" in 2Q25. In 2Q25, BCPG saw a net loss of THB651m while its core net profit was THB131.5m, caused by the multiple one-time expenses of FX loss of THB109m and the write-off expenses of THB673.2m, comprising THB560.6m impairment losses on investment in wind farm in the Philippines, THB91.2m impairment loss of account receivable on power project in Laos, THB21.5m write-off loss due to fire at customer's solar rooftop facility.

### More upsides still ripe for investors to grapple

We maintain BUY and our SoTP TP of THB12. We believe BCPG's significant earnings windfall for its four gas-fired power plant in PJM, the U.S.A., along with other growth projects currently in the pipeline, should propel its net profit growth trajectory upwards to post potential surprising quarterly net profits starting in 3Q25 onwards, which we estimate to rise to THB0.5-THB1.2B a quarter in 2H25-2027.

#### Analyst

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ESG Rating : AAA

CG Rating : ▲▲▲▲▲

## BUY

<b>Target Price 12M (THB)</b>	<b>12.00</b>
VS. BB Consensus TP (%)	+39.0%
Share Price (THB)	8.15
Upside/Downside	+47.2%

#### Share Data

Market Cap (THB m)	24,565.13
Par (THB)	5.00
Free Float (%)	42.11
Issued shares (m shares)	2,996

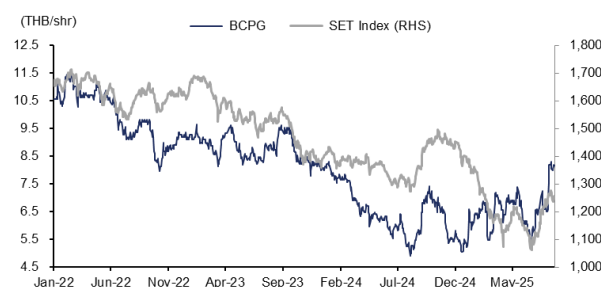
#### Financial forecast

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	4,323	3,351	4,443	5,699
Net profit	1,819	1,979	2,904	3,211
Core net profit	1,123	1,979	2,904	3,211
vs Consensus (%)		31.9	34.4	30.1
Net profit growth (%)	64.8	8.8	46.7	10.6
Core net profit growth (%)	28.6	76.3	46.7	10.6
EPS (THB)	0.61	0.66	0.97	1.07
Core EPS (THB)	0.37	0.66	0.97	1.07
Chg from previous (%)		0.00	0.00	0.00
DPS (THB)	0.28	0.26	0.39	0.43
P/E (x)	9.14	12.34	8.41	7.60
P/BV (x)	0.54	0.77	0.72	0.68
ROE (%)	5.05	3.24	4.76	5.26
Dividend yield (%)	3.72	6.34	8.87	9.26

Source: Financial Statement and Globlex securities

#### Share Price Performance (%)

	1M	3M	6M	YTD
Stock	13.10	16.31	22.39	47.75
Market	9.77	10.24	22.53	66.19
12M High/Low (THB)				8.75 / 5.05



#### Major Shareholders (%) as of 6 Mar 2025

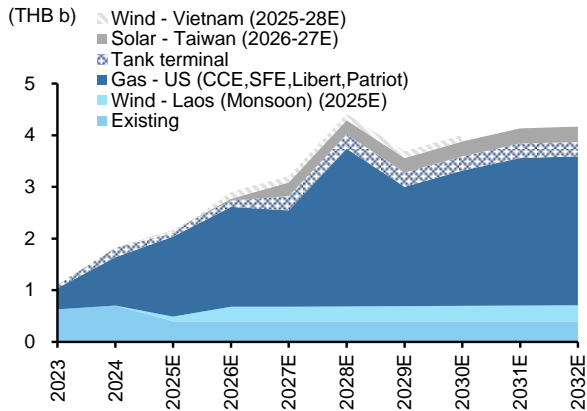
Bangchak Corporation Public Company Limited	57.81
CAPITAL ASIA INVESTMENTS PTE. LTD.	5.62
Thai NVDR	2.43

#### Company Profile

The Company's business is to generate and sell electricity from clean energy as well as investing in companies that generate and sell electricity from clean energy.

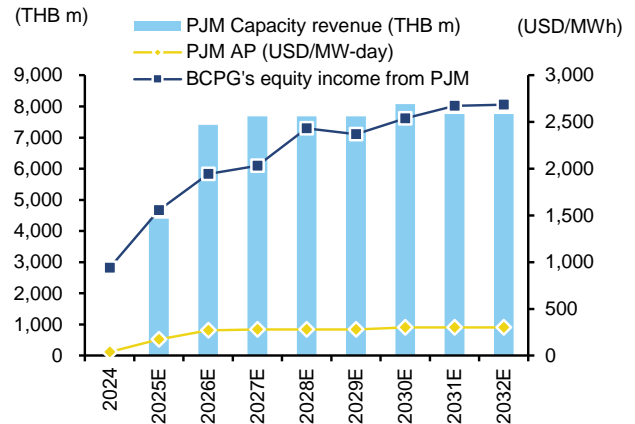
Source: SETSMART, SET

Exhibit 1: Revenue growth by key projects



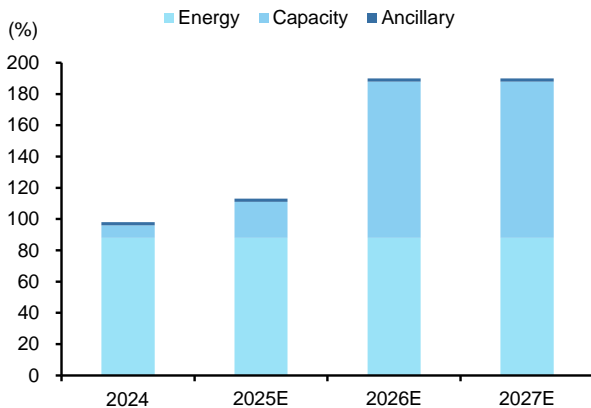
Sources: BCPG; Globlex Research

Exhibit 2: Equity income from PJM



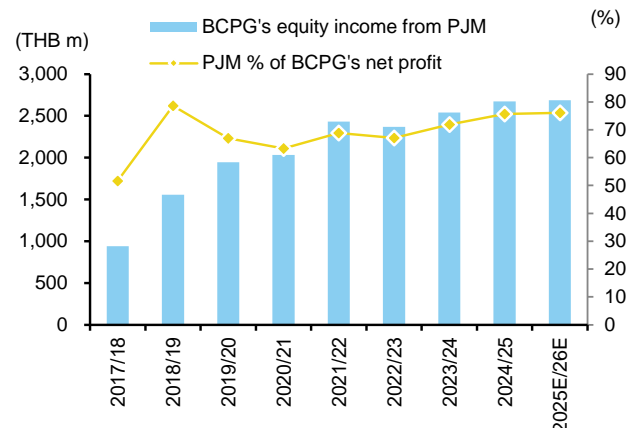
Sources: BCPG; Globlex Research

Exhibit 3: PJM's revenue breakdown



Sources: PJM;

Exhibit 4: PJM equity income as % of BCPG's net profit



Sources: BCPG; Globlex Research

Exhibit 5: BCPG's estimated incomes from PJM's capacity payment and spark spread

	Capacity revenue (THB m)	Capacity payment (MW-day)	Spark spread (USD/kWh)	Capacity (MW)	Number of days applied (MW-year)	Reliability factor (%)	Exchange rate (THB/USD)
June 2024-May 2025	1,785						
Capacity payment	139	29		578	210,970	70	32.5
Energy payment	1,646		0.010	578	210,970	100	32.5
June 2025-May 2026	5,410						
Capacity payment	1,296	270		578	210,970	70	32.5
Energy payment	4,114		0.025	578	210,970	100	32.5
<b>Change in income</b>	<b>3,625</b>						

Sources: BCPG; Globlex Research

Balance sheet (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Current assets</b>					
Cash & ST investment	9,790	7,346	9,836	8,752	3,386
Account receivable	2,006	1,593	1,660	1,660	1,660
Inventories	0	0	0	0	0
Others	539	789	611	811	1,040
<b>Non-current assets</b>					
Net fixed assets	23,011	15,818	24,087	32,255	40,390
Others	38,894	36,446	36,446	36,446	36,446
<b>Total Assets</b>	<b>74,240</b>	<b>61,992</b>	<b>72,640</b>	<b>79,925</b>	<b>82,922</b>
<b>Current liabilities</b>					
Account payable	1,708	969	1,002	1,316	2,259
ST borrowing	9,646	1,975	2,172	2,389	2,628
Others	457	210	163	216	277
<b>Long-term liabilities</b>					
Long-term debts	30,423	26,429	35,844	40,611	40,372
Others	2,393	1,483	1,483	1,483	1,483
<b>Total liabilities</b>	<b>44,628</b>	<b>31,066</b>	<b>40,664</b>	<b>46,015</b>	<b>47,019</b>
Paid-up capital	14,979	14,979	14,979	14,979	14,979
Retained earnings	6,963	8,040	9,084	11,012	12,999
Others	7,617	7,692	7,692	7,692	7,692
Minority interest	53	215	221	227	233
<b>Shareholders' equity</b>	<b>29,612</b>	<b>30,926</b>	<b>31,976</b>	<b>33,909</b>	<b>35,903</b>

Profit & loss (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Revenue</b>	<b>5,031</b>	<b>4,323</b>	<b>3,351</b>	<b>4,443</b>	<b>5,699</b>
Cost of goods sold	(750)	(727)	(752)	(988)	(1,695)
<b>Gross profit</b>	<b>4,281</b>	<b>3,596</b>	<b>2,599</b>	<b>3,455</b>	<b>4,004</b>
Operating expenses	(588)	(672)	(670)	(666)	(855)
<b>Operating profit</b>	<b>3,693</b>	<b>2,923</b>	<b>1,929</b>	<b>2,789</b>	<b>3,149</b>
<b>EBIT</b>	<b>1,654</b>	<b>463</b>	<b>198</b>	<b>957</b>	<b>1,283</b>
Depreciation	(1,808)	(1,764)	(1,731)	(1,832)	(1,865)
<b>EBITDA</b>	<b>3,462</b>	<b>2,227</b>	<b>1,929</b>	<b>2,789</b>	<b>3,149</b>
<b>Non-operating income</b>	<b>574</b>	<b>1,608</b>	<b>247</b>	<b>447</b>	<b>425</b>
Other incomes	64	418	100	250	250
Other non-op income	509	1,190	147	197	175
<b>Non-operating expense</b>	<b>(1,268)</b>	<b>(1,529)</b>	<b>(1,461)</b>	<b>(1,782)</b>	<b>(1,892)</b>
Interest expense	(1,268)	(1,529)	(1,461)	(1,782)	(1,892)
Other non-op expense	0	0	0	0	0
<b>Equity income/(loss)</b>	<b>252</b>	<b>1,014</b>	<b>2,872</b>	<b>3,245</b>	<b>3,378</b>
<b>Pre-tax Profit</b>	<b>1,211</b>	<b>1,556</b>	<b>1,855</b>	<b>2,867</b>	<b>3,195</b>
Extraordinary items	231	697	0	0	0
Current taxation	(336)	(433)	130	43	22
Minorities	(2)	(0)	(6)	(6)	(6)
<b>Net Profit</b>	<b>1,104</b>	<b>1,819</b>	<b>1,979</b>	<b>2,904</b>	<b>3,211</b>
<b>Core net profit</b>	<b>873</b>	<b>1,123</b>	<b>1,979</b>	<b>2,904</b>	<b>3,211</b>
<b>EPS (THB)</b>	<b>0.37</b>	<b>0.61</b>	<b>0.66</b>	<b>0.97</b>	<b>1.07</b>
<b>Core EPS (THB)</b>	<b>0.29</b>	<b>0.37</b>	<b>0.66</b>	<b>0.97</b>	<b>1.07</b>

Key ratios					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Growth (%YoY)</b>					
Sales	(6.9)	(14.1)	(22.5)	32.6	28.3
Operating profit	(9.7)	(20.8)	(34.0)	44.6	12.9
EBITDA	(1.9)	(35.7)	(13.4)	44.6	12.9
Net profit	(46.5)	64.8	8.8	46.7	10.6
Core net profit	(57.7)	28.6	76.3	46.7	10.6
EPS	(48.1)	64.8	8.8	46.7	10.6
Core EPS	(59.0)	28.6	76.3	46.7	10.6
<b>Profitability (%)</b>					
Gross margin	85.1	83.2	77.6	77.8	70.3
Operation margin	73.4	67.6	57.6	62.8	55.3
EBITDA margin	68.8	51.5	57.6	62.8	55.3
Net margin	21.9	42.1	59.1	65.3	56.3
ROE	3.0	3.7	6.3	8.9	9.3
ROA	2.6	3.2	2.6	1.3	1.4
<b>Stability</b>					
Interest bearing debt/equity (x)	1.4	0.9	1.2	1.3	1.2
Net debt/equity (x)	1.0	0.7	0.9	1.0	1.1
Interest coverage (x)	1.3	0.3	0.1	0.5	0.7
Interest & ST debt coverage (x)	0.2	0.1	0.1	0.2	0.3
Cash flow interest coverage (x)	0.1	0.1	0.2	0.2	0.2
Current ratio (x)	1.0	3.1	3.6	2.9	1.2
Quick ratio (x)	1.0	2.8	3.4	2.7	1.0
Net debt (THB m)	30,279	21,058	28,181	34,248	39,614
<b>Activity</b>					
Asset turnover (X)	0.1	0.1	0.0	0.1	0.1
Days receivables	136.7	151.9	177.2	136.4	106.3
Days inventory	0.0	0.0	0.0	0.0	0.0
Days payable	586.2	672.0	478.3	428.2	384.8
Cash cycle days	(449.5)	(520.1)	(301.1)	(291.9)	(278.5)

Cash flow (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Operating cash flow</b>	<b>4,406</b>	<b>3,773</b>	<b>6,679</b>	<b>8,149</b>	<b>9,229</b>
Net profit	1,104	1,819	1,979	2,904	3,211
Depre.& amortization	1,808	1,764	1,731	1,832	1,865
Change in working capital	1,242	(824)	96	168	775
Others	252	1,014	2,872	3,245	3,378
<b>Investment cash flow</b>	<b>(29,063)</b>	<b>9,037</b>	<b>(7,128)</b>	<b>(6,755)</b>	<b>(6,622)</b>
Net CAPEX	(7,805)	5,429	(10,000)	(10,000)	(10,000)
Change in LT investment	(305)	3,035	2,872	3,245	3,378
Change in other assets	(20,953)	572	0	0	0
<b>Free cash flow</b>	<b>(24,657)</b>	<b>12,810</b>	<b>(449)</b>	<b>1,394</b>	<b>2,607</b>
<b>Financing cash flow</b>	<b>14,114</b>	<b>(15,255)</b>	<b>2,939</b>	<b>(2,477)</b>	<b>(7,973)</b>
Change in share capital	0	0	0	0	0
Net change in debt	15,650	(11,665)	9,613	4,984	0
Dividend paid	(749)	(839)	(935)	(977)	(1,223)
Others	(788)	(2,750)	(5,738)	(6,485)	(6,750)
<b>Net cash flow</b>	<b>(10,543)</b>	<b>(2,444)</b>	<b>2,490</b>	<b>(1,083)</b>	<b>(5,366)</b>

Per share (THB)					
EPS	0.37	0.61	0.66	0.97	1.07
Core EPS	0.29	0.37	0.66	0.97	1.07
CFPS	0.90	0.96	1.24	1.58	1.70
BVPS	9.87	10.25	10.60	11.24	11.91
Sales/share	1.68	1.44	1.12	1.48	1.90
EBITDA/share	1.16	0.74	0.64	0.93	1.05
DPS	0.25	0.28	0.26	0.39	0.43

Valuation					
P/E (x)	23.88	9.14	12.34	8.41	7.60
P/BV (x)	0.89	0.54	0.77	0.72	0.68
Dividend yield (%)	2.84	5.05	3.24	4.76	5.26
Dividend payout ratio (%)	67.84	46.10	40.00	40.00	40.00

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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  $(\text{target price}^* - \text{current price}) / \text{current price}$ .

**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.