

More upsides on the horizon

- Sembcorp is in talk to acquire 25-30% stake in BGRIM, likely worth USD600m to imply BGRIM's value at USD2.0b
- Upsides on asset monetization strategy and margin expansions could catalyze earnings ahead in 2026-27
- Maintain BUY and a SoTP TP of THB20

Asset monetization underway?

On 22 Oct-25, Singapore's Sembcorp Industries is in advanced discussions to invest up to USD600m for a 25-30% stake in the gas-fired power business for Thailand's BGRIM, implying that BGRIM's value worth at USD2b. The assets under consideration form the core of BGRIM's portfolio, accounting for around two-thirds of its total 2.6GW capacity.

A sound move for asset monetization

We see this move in BGRIM's asset monetization as a positive move, both strategically and financially. Strategically, BGRIM would strengthen its business alliance and portfolio with a Singaporean Sembcorp, a leading renewables player and an established industrial and urban solutions provider in Asia, owning and operating gas-fired and renewable power plants in Asia, China, Middle East, and the U.K. with total capacity of 13.7GW. Financially, BGRIM could reduce its net debt to equity from current 1.5x-2.0x down to 1.0x, the level that could enable BGRIM to further growth prospect to secure capacity growth.

Will BGRIM divest on corporate level rather than project level?

According to the news on Business Today, rather than divest certain assets, BGRIM will divest its stakes the majority of assets, which could embrace not only the gas-fired SPPs but also several renewable power projects. In essence, BGRIM should seek strategic partners and simultaneously financial relievers to strengthen its internal position for external growth decisions and opportunities.

Margin on the rise

While the electricity tariff has declined, we think BGRIM's margins for its SPPs will be wider given the sharper drop in the gas cost, which we estimate to plunge by over 10% q-q thanks to the decreasing global LNG price to hover at sub-USD12/mmbtu since August 2025 despite the jump in the U.S. gas price by over 10% in the same period. Hence, we expect 4Q25 net profit to improve q-q and y-y.

Turning the growth table

We maintain BUY and a SoTP TP of THB20. We think BGRIM is now turning the table for its growth strategy from the growth-constraint, debt-burdened company to a growth-driven, debt-relieved power company with a wider footprint in Asia via the strategic partnership and stronger balance sheet.

Analyst

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ESG Rating : AAA

CG Rating : ▲▲▲▲▲

BUY

Target Price 12M (THB)	20.00
VS. BB Consensus TP (%)	+25.8%
Share Price (THB)	16.20
Upside/Downside	+23.5%

Share Data

Market Cap (THB m)	42,231.78
Par (THB)	2.00
Free Float (%)	31.57
Issued shares (m shares)	2,607

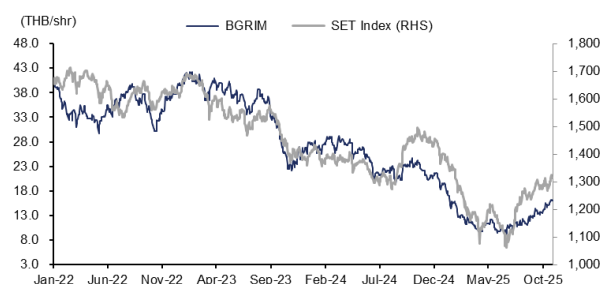
Financial forecast

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 (%)		4.7	(0.7)	5.6
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	19.71	17.55	14.70
P/BV (x)	1.41	1.14	1.09	1.04
ROE (%)	4.66	5.85	6.35	7.27
Dividend yield (%)	2.21	2.03	2.28	2.72

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	18.25	45.95	43.36	(16.92)
Market	15.05	35.16	26.48	(11.49)
12M High/Low (THB)				24.80 / 8.90



Major Shareholders (%) as of 27 Aug 2025

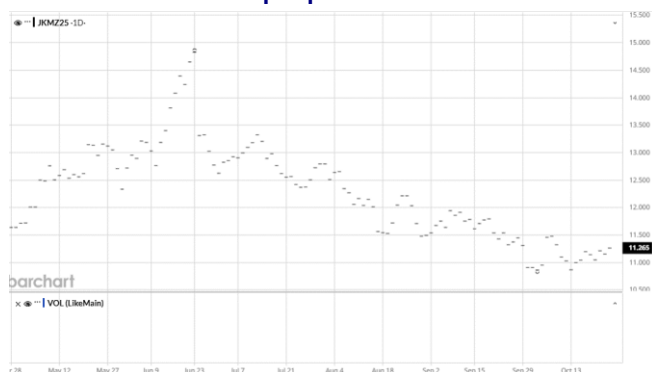
B.Grimm Power (Singapore) Pte.Ltd.	33.73
Mr. Harald Link	23.83
B. Grimm Joint Venture Holding Company Limited	7.80

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: JKM LNG spot price



Sources: Barchart.com

Exhibit 2: U.S. Henry Hub spot gas price



Sources: Barchart.com

Exhibit 3: Sembcorp power capacity breakdown by country and power plant type

Sembcorp	Stake owned	Type	Gross capacity	Contracted capacity
Conventional			3,985	3,050
Singapore	100	Cogen	1,219	713
Myanmar	100	IPP	231	225
Bangladesh	71	IPP	440	414
UAE	40	IWPP	893	760
Oman	40	IWPP	518	445
UK	100	Flexible generation	684	493
Renewable			12,907	8,278
China	48	Wind	4,598	2,220
India	100	Wind	2,073	1,983
Vietnam	100	Wind	138	138
Singapore	100	Solar	578	578
Indonesia	57	Solar	68	39
Vietnam	65	Solar	268	175
China	46	Solar	3,529	1,633
India	96	Solar	1,155	1,112
Oman	80	Solar	500	400
Energy storage			829	607
Singapore	100	Energy storage	299	299
Indonesia	50	Energy storage	14	7
China	46	Energy storage	396	181
UK	100	Energy storage	120	120
Total			17,721	11,935

Sources: Sembcorp

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	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	1,114	1,170	500	863	653
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	1,846	3,759	5,952	6,430	9,516
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	19.71	17.55	14.70
P/BV (x)	1.86	1.41	1.14	1.09	1.04
Dividend yield (%)	1.32	2.21	2.03	2.28	2.72
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 $(\text{target price}^* - \text{current price}) / \text{current price}$.

- 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.