

“3+1” strategies to revolutionize growth

- “3+1” strategy will enhance earnings growth and margin
- Three strategies: capacity growth, data center, tariff pricing restructure
- Maintain BUY and TP of THB20

BGRIM’s “3+1” strategy to restructure its growth trajectory

We believe BGRIM is now at an inflection point for significant turnarounds in both net profits and share price, projecting its share price to rise from the current bottom to our TP of THB20, driven by BGRIM’s “3+1” strategy of 1) strategy#1: capacity growths from renewable projects overseas (+2GW committed capacity, +3.8GW target capacity by 2030E); 2) strategy#2: growth in power sold and stakes in operations in data centers (+96MW committed capacity by 1Q28 and target to 3GW by 2030E); 3) strategy#3: shift in electricity pricing structure from grid-linked to gas-linked. In addition, BGRIM will revamp its FX policy to move most of its FX exposures to other comprehensive income to reduce the net profit volatility.

Strategy#1: capacity growth is both sanguine and visible

BGRIM clearly elaborates its growth strategy to increase gross capacity from 4.2GW (Nov-25) to committed capacity of 6.2GW (2030E) to target capacity of 10GW (2030E), coming almost entirely from overseas markets including South Korea (1GW wind & solar), Malaysia (1.5GW gas-fired IPPs), U.S. (0.5GW hydro), Australia (0.5GW wind & solar), Philippines (0.2GW wind & solar), Laos (0.1GW hydro), Italy (0.1GW solar), Thailand (0.3GW solar).

Strategy#2: data center strategic growth

BGRIM has already joined hand with Digital Age to develop the 1st phase 48MW data center (THB16b capex, COD 1Q26E) and 2nd phase 48MW (THB8b, COD 1Q28E). We estimate that the net profit per MW for data center to BGRIM will be THB4m/MW based once the two phases are completed. With a target 3GW, we think BGRIM will grow net profit and enhance profitability as net profit/MW for data center (THB4m/MW) is higher than SPPs’ profitability (THB2-3m/MW).

Strategy#3: shift in tariff price structure

BGRIM plans to significantly increase its portion of gas-linked (cost-plus) electricity tariff sold to Industrial Users (IU) from current 1% (10MW) to 30-40% by adding the gas-linked tariff for data centers and new IUs and revising tariff structure for existing customers from current grid-linked (market-based) to gas-linked once they expire in 2026-30E.

Top pick in Thai power sector

We maintain BUY and SoTP TP of THB20. We think market deeply underestimate BGRIM as one of the most attractive investment plays in Thai utility and energy sector, if not SET, given its growth strategy into AI and data centers, overseas capacity expansions, and accommodating capital management. Its highly earnings volatility from FX impact will soon greatly subside once BGRIM shift to the below-bottom-line comprehensive income.

Analyst

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ESG Rating : AAA

CG Rating : ▲▲▲▲▲

BUY

Target Price 12M (THB)	20.00
VS. BB Consensus TP (%)	+18.3%
Share Price (THB)	14.40
Upside/Downside	+38.9%

Share Data

Market Cap (THB m)	37,539.36
Par (THB)	2.00
Free Float (%)	31.57
Issued shares (m shares)	2,607

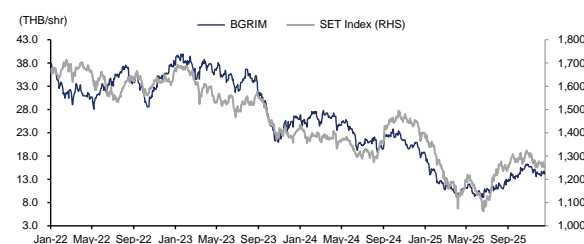
Financial forecast

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 (%)		5.9	(1.1)	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	17.52	15.60	13.06
P/BV (x)	1.41	1.01	0.97	0.93
ROE (%)	4.66	5.85	6.35	7.27
Dividend yield (%)	2.21	2.28	2.56	3.06

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(2.70)	6.67	56.52	(26.15)
Market	(3.87)	7.75	31.61	(18.56)
12M High/Low (THB)				19.60 / 8.90

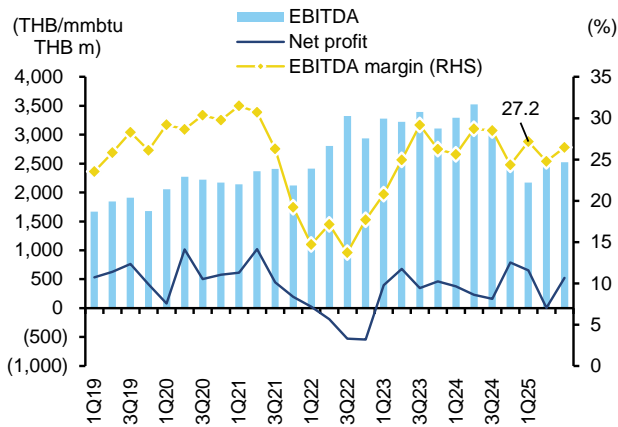
**Major Shareholders (%) as of 27 Aug 2025**

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

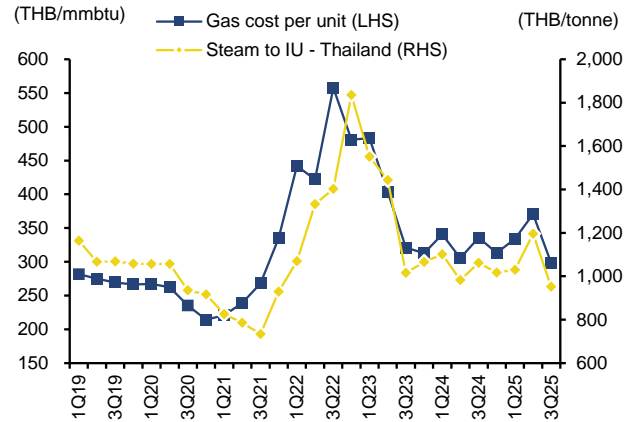
Company Profile

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.

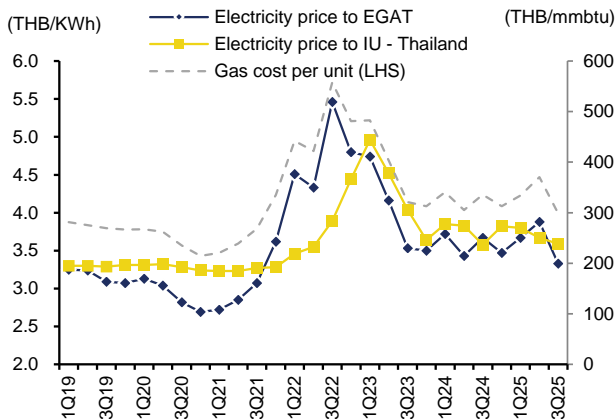
Source: SETSMART, SET

Exhibit 1: Quarterly EBITD margin

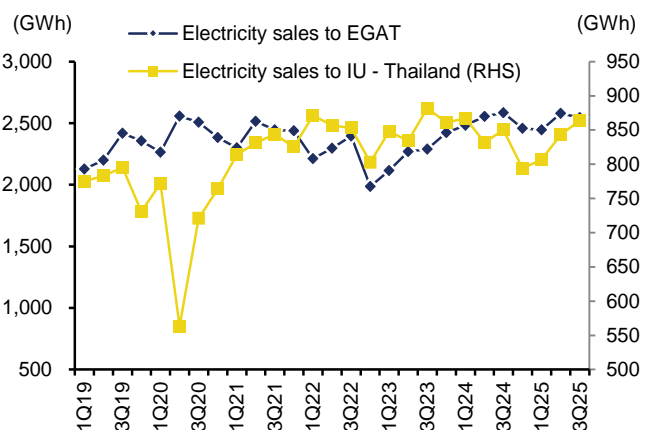
Sources: BGRIM; Globex Research

Exhibit 2: Gas cost and steam sales to IU

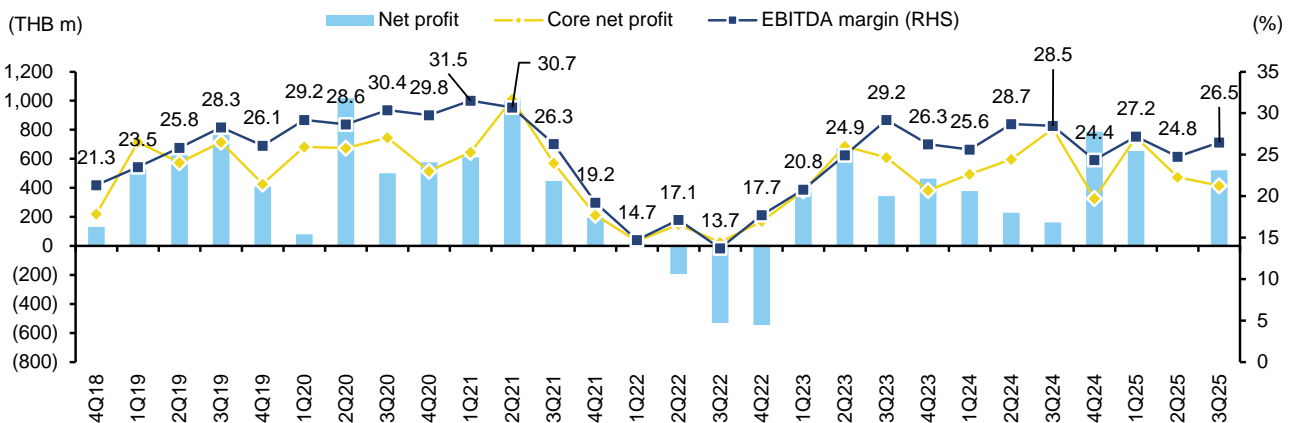
Sources: BGRIM; Globex Research

Exhibit 3: Electricity price to EGAT and IU vs gas cost

Sources: BGRIM; Globex Research

Exhibit 4: Electricity sales volume to EGAT and IU

Sources: BGRIM; Globex Research

Exhibit 5: Quarterly net profit vs EBITDA margin

Sources: BGRIM; Globex Research

Exhibit 6: Current capacity breakdown

Operating Capacity by fuel (Nov-25)	Gross capacity (MW)	Equity capacity (MW)	% total capacity	% total equity
SPP	2,920	1,798	69.9	66
Diesel	13	5	0.3	0
Solar	1,140	825	27.3	30
Wind	35	24	0.8	1
Hydro	65	55	1.6	2
IWTE	5	2	0.1	0
Total	4,178	2,710	100	100

Sources: BGRIM; Globlex Research

Exhibit 7: Capacity growth plan

	Current capacity Nov-25	Committed capacity 2030E	Target capacity 2030E
Conventional	2,920	2,920	5,000
Renewable	1,258	3,268	5,000
Total	4,178	6,188	10,000
Conventional	70	47	50
Renewable	30	53	50
Total	100	100	100

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	(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					
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	17.52	15.60	13.06
P/BV (x)	1.86	1.41	1.01	0.97	0.93
Dividend yield (%)	1.32	2.21	2.28	2.56	3.06
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.