

Cooling Gas Prices, Warming NP Outlook

- 3Q25 core earnings are set to rebound on lower gas costs and higher domestic volumes.
- Despite balance sheet concerns, lower gas costs and upcoming CODs should support margins and cash flow, making recent share price weakness an opportunity.
- Maintain BUY and TP of THB20

Gas Relief Fuels Earnings Rebound

We expect BGRIM to report 3Q25 core net profit (NP) of THB513m, up 24% q-q and 56% y-y. Key points are 1) lower y-y natural gas costs at THB290/mmbtu (vs THB299/mmbtu in 2Q25 and THB313/mmbtu in 3Q24); 2) a higher electricity sales volumes to EGAT (+2% y-y) and IUs (+3% y-y) in Thailand; 3) a 10% y-y decline in revenue from EVN due to VND depreciation and a lower solar capacity factor; 4) a 6% q-q reduction in electricity and steam tariffs; 5) a weaker NP contribution from the Malacha hydropower plant in the U.S. (THB20m) due to lower water inflows; and 6) a one-month NP contribution of THB40m from ARECO. Including non-recurring items, we expect NP of THB486m, down from THB521m in 2Q25 and THB787m in 3Q24, reflecting a THB150m FX loss, partly offset by a THB140m gain from land sales.

Going Global to Power Growth

BGRIM has recently accelerated its global expansion with new investments in the U.S. and Malaysia. In the U.S., the acquisition of a 25% stake in NERH adds 406MW of hydropower and 8MW of battery storage, providing stable, long-term cash flows in a liberalized market. In Malaysia, BGRIM is advancing up to 1.5GW of gas-fired IPPs while developing a 618MW solar portfolio via reNIKOLA, reinforcing growth visibility and earnings diversification across energy types and regions.

Walking a Tight Leverage Line

BGRIM's balance sheet remains a key investor concern, with leverage already tight. As of 3Q25, net interest-bearing debt to equity stood at 1.87x and the internal interest coverage ratio was only 2.0x, leaving limited buffer against higher funding costs or execution delays. The recent U.S. investment, largely debt-funded, could lift D/E toward 2.0x, keeping B/S risk in focus in the near term. We expect pressure to ease as several projects approach COD, supporting stronger cash flow generation, with additional upside from new projects.

From Gas Headwind to Tailwind

We expect gas prices in 2026 to settle at around THB280–300/mmbtu under the new pool gas price, which should be supportive for power producers. BGRIM is well positioned to benefit, given its plan to raise the share of gas-linked (cost-plus) tariffs for Industrial Users from just 1% currently to 30–40% over time.

Maintain BUY with a SoTP TP of THB20

We maintain BUY with a SoTP TP of THB20. Recent weakness reflects balance sheet and tariff concerns, but lower gas costs should support margins, with further upside from up-coming COD projects.

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ESG Rating : AAA

CG Rating : ▲▲▲▲▲

BUY

Target Price 12M (THB)	20.00
VS. BB Consensus TP (%)	+20.3%
Share Price (THB)	12.80
Upside/Downside	+56.3%

Share Data

Market Cap (THB m)	33,368.32
Par (THB)	2.00
Free Float (%)	31.57
Issued shares (m shares)	2,607

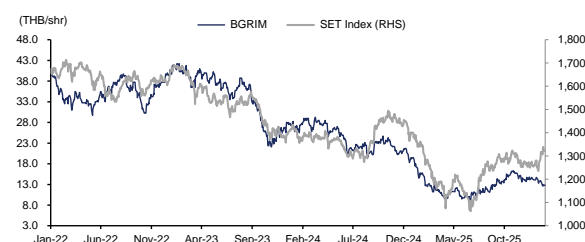
Financial forecast

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 (%)		8.3	(1.5)	4.7
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	15.57	13.86	11.61
P/BV (x)	1.41	0.90	0.86	0.82
ROE (%)	4.66	5.85	6.35	7.27
Dividend yield (%)	2.21	2.57	2.89	3.44

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(9.22)	(20.00)	6.67	(9.22)
Market	(13.74)	(20.66)	0.11	(13.74)
12M High/Low (THB)				16.60 / 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.

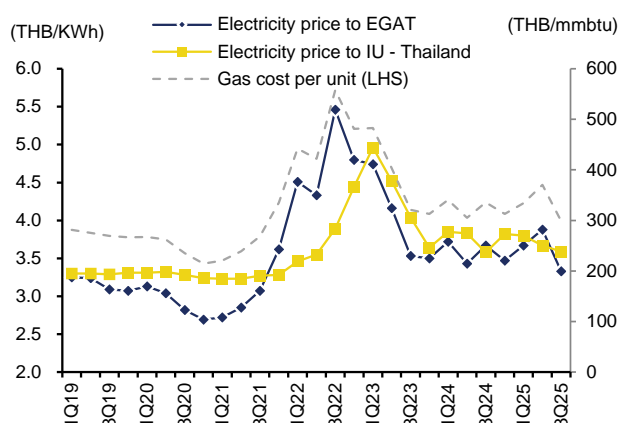
Source: SETSMART, SET

Exhibit 1: Summary of 4Q25E/2025E operations

(THB m)	4Q24 (THB m)	3Q25 (THB m)	4Q25E (THB m)	(q-q%)	(y-y%)	2024 (THB m)	2025E (THB m)	chg. (y-y%)
Revenue	13,358	13,351	12,156	(9.0)	(9.0)	55,853	63,721	14.1
Operating costs	(10,103)	(9,818)	(8,995)	8.4	11.0	(42,146)	(49,311)	(17.0)
EBITDA	3,255	3,533	3,161	(10.5)	(2.9)	13,707	14,410	5.1
EBITDA margin (%)	24.4	26.5	26.0	na	na	24.5	22.6	na
Depn & amort.	(1,400)	(1,453)	(1,460)	(0.5)	(4.3)	(5,658)	(6,027)	(6.5)
EBIT	1,855	2,080	1,701	(18.2)	(8.3)	8,049	8,384	4.2
Interest expense	(1,367)	(1,384)	(1,120)	19.1	18.1	(5,554)	(5,732)	(3.2)
Interest & invt inc	(1,096)	-	-	nm	nm	-	-	nm
Other income	530	270	670	148.3	26.4	1,342	500	(62.7)
Associates' contrib	(206)	(169)	(50)	70.4	75.7	40	1,270	3,052.3
Exceptionals	1,230	270	(150)	(155.6)	(112.2)	(311)	-	nm
Pretax profit	946	1,067	1,051	(1.5)	11.1	3,567	4,422	24.0
Tax	23	(188)	(165)	12.3	(828.1)	(396)	(236)	40.5
Tax rate (%)	(2.4)	17.6	15.7	na	na	11.1	5.3	na
Minority interests	(182)	(357)	(400)	(11.9)	(120.4)	(1,614)	(2,043)	(26.6)
Net profit	787	521	486	(6.8)	(38.3)	1,557	2,143	37.6
Non-recurring	459	107	(27)	(125.6)	(106.0)	(172)	-	nm
Core net profit	328	414	513	23.9	56.4	1,729	2,143	23.9
EPS (THB)	0.30	0.20	0.19	(6.8)	(38.3)	0.60	0.82	37.6
Core EPS (THB)	0.13	0.16	0.20	23.9	56.4	0.66	0.82	23.9

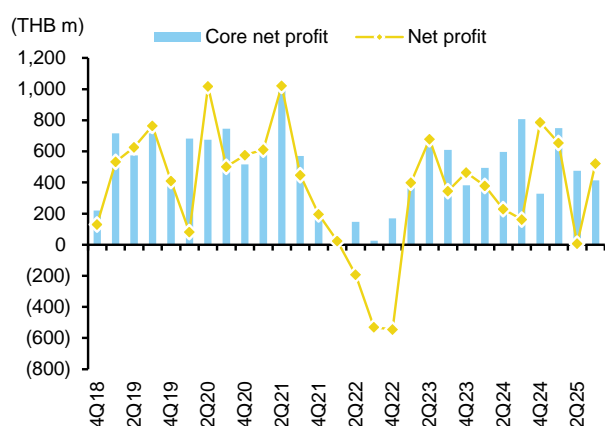
Sources: BGRIM; Globlex Research

Exhibit 2: Electricity price to EGAT and IU vs gas cost



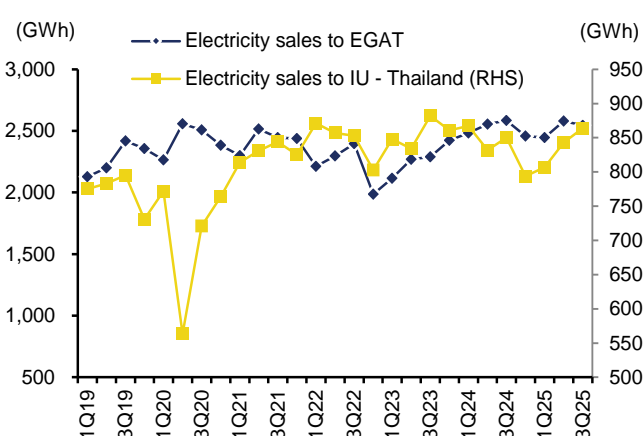
Sources: BGRIM; Globlex Research

Exhibit 4: Core profit vs Net profit



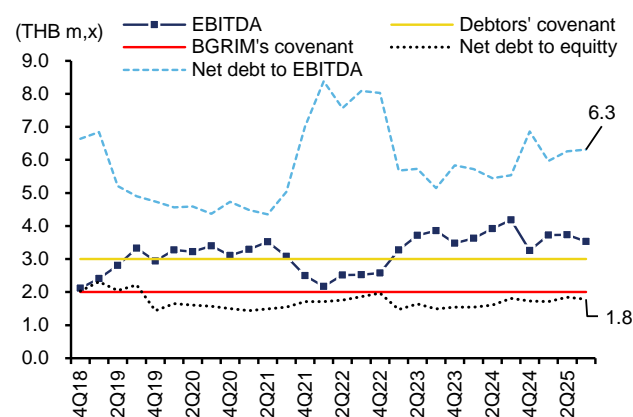
Sources: BGRIM; Globlex Research

Exhibit 3: Electricity sales volume to EGAT and IU



Sources: BGRIM; Globlex Research

Exhibit 5: EBITDA, Net debt to EBITDA, Net debt to equity and covenants



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	15.57	13.86	11.61
P/BV (x)	1.86	1.41	0.90	0.86	0.82
Dividend yield (%)	1.32	2.21	2.57	2.89	3.44
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.