

Gas pain before digital gain

- Near-term risk remains large on the gas cost spike
- Strategic shifts into gas-linked SPPs and digital-focused are key
- Maintain BUY and TP of THB20

Near term risk remains large

We believe the recent share price correction has largely priced in near-term headwinds, including elevated gas costs, limited Ft upside, and weak IU demand. However, BGRIM's margin recovery remains uncertain, driven by three key factors: 1) persistent pressure from incomplete and uneven cost pass-through across its IU base; 2) limited scope for Ft tariff increases due to government efforts to contain electricity costs, restricting the ability to reflect higher gas prices; and 3) continued demand softness in key segments—particularly automotive (37%), tire (16%), and electronics—which constrains volume growth and pricing power. Together, these factors are likely to sustain margin pressure and reinforce downside risk in the near term.

Sign of relief, if not shout of joy, for gas price risk

According to management, BGRIM is accelerating the conversion of IU contracts toward gas pass-through structures, from the current 10% toward a target of 70% of total IU demand by May-26, which would provide partial protection when gas costs exceed THB360/mmbtu. The company is also expanding its IU base under more flexible pricing terms. However, the transition remains gradual, leaving the company with significant exposure to fixed-price contracts in the near term. At the same time, continued reliance on high-cost LNG keeps generation costs elevated, with only partial mitigation from co-supply arrangements with PEA and coordination with PTT.

Near term risky but medium-term rewarding

While BGRIM's net profit remains at risk in the near term, mainly on the regulatory risk (capping tariff) and the spike in the gas cost, we think by 2H26, BGRIM's earnings risk should greatly subside, given 1) the successful changes in the electricity selling price to the partial gas cost-linked, which would sharply reduce SPP's margin risk from the mismatch between the tariff and the gas cost; and 2) the new growth engines both from domestic and overseas markets for renewable, conventional, and data centers.

But will balance sheet remain tight?

By 2030, BGRIM's net profit will be greatly shifted from SPP-driven, Thailand-centric asset portfolio to digital and data center-focused, diversified asset portfolio. The implications for BGRIM's financial risk will be greatly reduced for not only earnings but also balance sheet.

Maintain BUY with a TP at THB20.0

We maintain BUY with a SoTP-based target price of THB20.0. We see BGRIM as attractive at current levels, as recent share price weakness has largely priced in near-term headwinds. With gradual progress in gas pass-through contracts and easing cost pressures ahead, we expect margin recovery to support earnings normalization.

Analyst

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ESG Rating : AAA

CG Rating : ▲▲▲▲▲

BUY

Target Price 12M (THB)	20.00
VS. BB Consensus TP (%)	+27.2%
Share Price (THB)	11.50
Upside/Downside	+73.9%

Share Data

Market Cap (THB m)	29,979.35
Par (THB)	2.00
Free Float (%)	31.57
Issued shares (m shares)	2,607

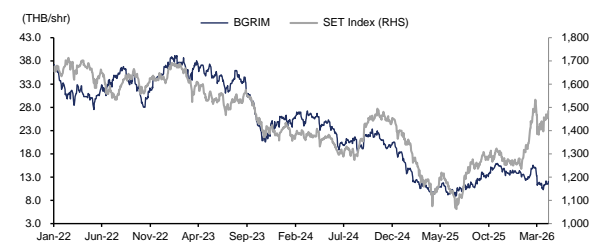
Financial forecast

YE Dec (THB m)	2025	2026E	2027E	2028E
Revenue	55,388	60,088	67,703	68,387
Net profit	1,675	2,087	2,881	2,916
Core net profit	2,143	2,087	2,881	2,916
vs Consensus (%)		(8.9)	1.4	(3.9)
Net profit growth (%)	7.6	24.5	38.1	1.2
Core net profit growth (%)	(3.8)	(2.6)	38.1	1.2
EPS (THB)	0.64	0.80	1.11	1.12
Core EPS (THB)	0.82	0.80	1.11	1.12
Chg from previous (%)		0.00	0.00	0.00
DPS (THB)	0.41	0.32	0.44	0.45
P/E (x)	19.92	14.37	10.40	10.28
P/BV (x)	1.00	0.88	0.84	0.80
ROE (%)	6.16	6.20	8.26	7.95
Dividend yield (%)	3.22	2.78	3.84	3.89

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(3.36)	(21.77)	(20.14)	(18.44)
Market	(6.93)	(31.58)	(28.82)	(29.84)
12M High/Low (THB)				16.60 / 8.90



Major Shareholders (%) as of 11 Mar 2026

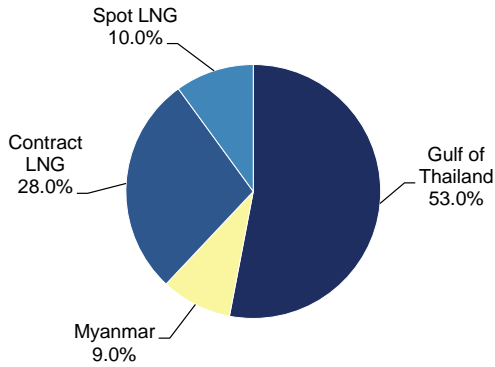
B.Grimm Power (Singapore) Pte.Ltd.	31.49
Mr. Harald Link	23.84
B. Grimm Joint Venture Holding Company Limited	7.80

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.

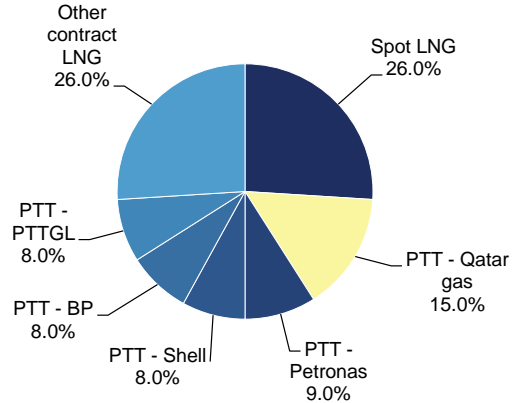
Source: SETSMART, SET

Exhibit 1: 2026 Thailand total gas supply plan (4,827 mmscfd)



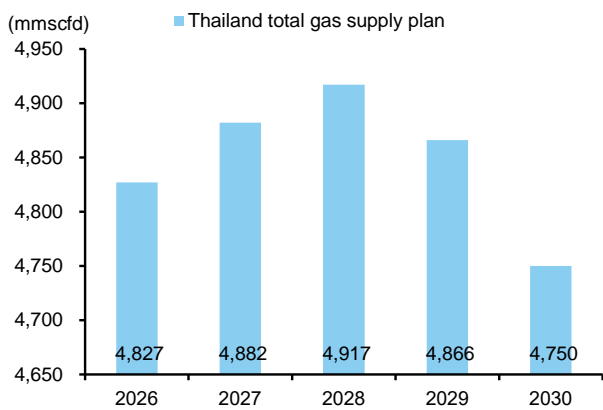
Sources: EPPO

Exhibit 2: 2026 Thailand LNG mix plan (1,835 mmscfd)



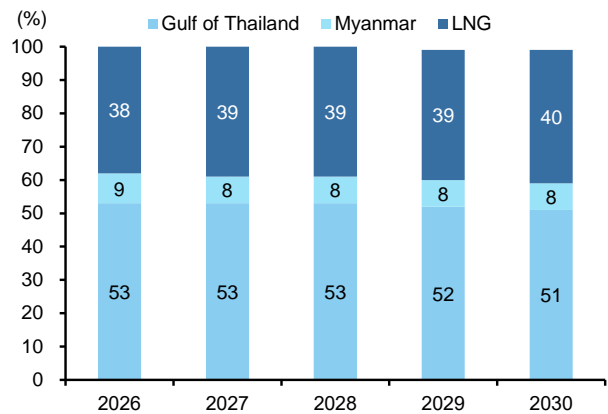
Sources: EPPO

Exhibit 3: 2026-2030 Gas supply plan



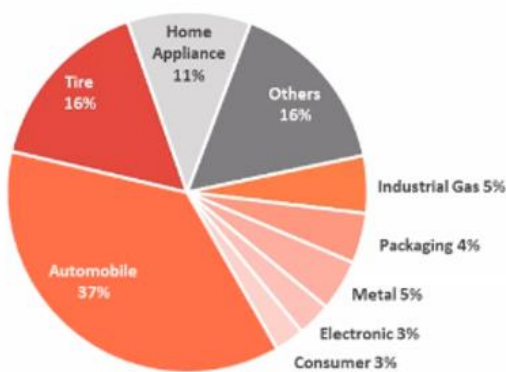
Sources: EPPO

Exhibit 4: 2026-2030 Gas supply plan (%)



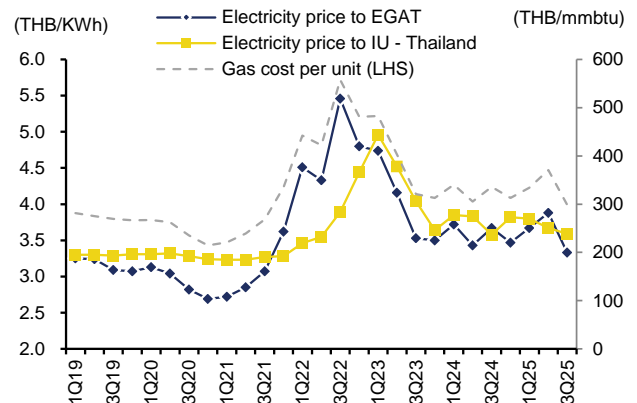
Sources: EPPO

Exhibit 5: BGRIM's IU breakdown by industrial



Sources: BGRIM

Exhibit 6: Electricity price vs gas cost



Sources: BGRIM; Globlex Research

Balance sheet (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Current assets					
Cash & ST investment	18,785	23,080	38,004	33,592	26,947
Account receivable	14,851	12,110	9,136	9,813	10,497
Inventories	2,121	1,120	1,242	1,429	1,430
Others	10,669	4,910	5,231	5,751	5,798
Non-current assets					
Net fixed assets	92,118	88,665	101,080	113,314	125,432
Others	42,357	53,161	53,161	53,161	53,161
Total Assets	180,901	183,046	207,854	217,060	223,264
Current liabilities					
Account payable	7,744	8,791	9,746	11,211	11,217
ST borrowing	22,981	14,143	33,000	36,000	36,000
Others	790	980	2,400	2,535	2,547
Long-term liabilities					
Long-term debts	92,650	103,911	103,911	103,911	103,911
Others	5,065	5,860	5,860	5,860	5,860
Total liabilities	129,229	133,686	154,916	159,517	159,534
Paid-up capital	5,214	5,214	5,214	5,214	5,214
Retained earnings	5,765	5,222	6,287	8,175	9,931
Others	25,108	23,000	22,428	22,428	22,428
Minority interest	15,585	15,924	19,009	21,727	26,157
Shareholders' equity	51,672	49,360	52,937	57,544	63,730

Key ratios					
Year ending Dec	2024	2025	2026E	2027E	2028E
Growth (%YoY)					
Sales	(2.2)	(0.8)	8.5	12.7	1.0
Operating profit	2.9	(3.2)	5.1	6.3	4.3
EBITDA	2.9	(3.2)	5.1	6.3	4.3
Net profit	(17.4)	7.6	24.5	38.1	1.2
Core net profit	8.2	(3.8)	(2.6)	38.1	1.2
EPS	(17.4)	7.6	24.5	38.1	1.2
Core EPS	8.2	(3.8)	(2.6)	38.1	1.2
Profitability (%)					
Gross margin	29.1	29.0	27.4	25.9	26.6
Operation margin	24.5	24.0	23.2	21.9	22.6
EBITDA margin	24.5	24.0	23.2	21.9	22.6
Net margin	2.8	3.0	3.5	4.3	4.3
ROE	6.0	6.2	6.2	8.3	7.9
ROA	4.7	1.5	2.0	2.0	2.8
Stability					
Interest bearing debt/equity (x)	2.2	2.4	2.6	2.4	2.2
Net debt/equity (x)	1.9	1.9	1.9	1.8	1.8
Interest coverage (x)	1.4	1.6	1.4	1.5	1.5
Interest & ST debt coverage (x)	0.3	0.4	0.2	0.2	0.2
Cash flow interest coverage (x)	0.0	0.1	0.1	0.1	0.1
Current ratio (x)	1.5	1.7	1.2	1.0	0.9
Quick ratio (x)	1.1	1.5	1.0	0.9	0.8
Net debt (THB m)	96,846	94,974	98,907	106,319	112,964
Activity					
Asset turnover (X)	0.3	0.3	0.3	0.3	0.3
Days receivables	81.2	88.8	64.5	51.1	54.2
Days inventory	14.1	15.0	9.9	9.7	10.4
Days payable	72.8	76.7	77.6	76.2	81.5
Cash cycle days	22.5	27.2	(3.2)	(15.4)	(17.0)

Profit & loss (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Revenue					
Revenue	55,853	55,388	60,088	67,703	68,387
Cost of goods sold	(39,589)	(39,342)	(43,613)	(50,171)	(50,196)
Gross profit	16,264	16,046	16,474	17,532	18,191
Operating expenses	(2,557)	(2,776)	(2,524)	(2,708)	(2,735)
Operating profit	13,707	13,269	13,951	14,824	15,456
EBIT	8,049	7,483	8,366	9,058	9,573
Depreciation	(5,658)	(5,786)	(5,585)	(5,766)	(5,882)
EBITDA	13,707	13,269	13,951	14,824	15,456
Non-operating income					
Other incomes	1,170	1,296	863	653	653
Other non-op income	0	0	0	0	0
Non-operating expense					
Interest expense	(5,554)	(4,621)	(6,119)	(6,228)	(6,296)
Other non-op expense	(139)	(572)	0	0	0
Equity income/(loss)	40	388	2,347	2,488	3,811
Pre-tax Profit	3,567	3,974	5,456	5,971	7,741
Extraordinary items					
Current taxation	(396)	(722)	(284)	(371)	(396)
Minorities	(1,614)	(1,576)	(3,085)	(2,718)	(4,429)
Net Profit	1,557	1,675	2,087	2,881	2,916
Core net profit	2,227	2,143	2,087	2,881	2,916
EPS (THB)	0.60	0.64	0.80	1.11	1.12
Core EPS (THB)	0.85	0.82	0.80	1.11	1.12

Cash flow (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Operating cash flow					
Operating cash flow	3,759	18,819	13,588	11,351	11,896
Net profit	1,557	1,675	2,087	2,881	2,916
Depre. & amortization	5,658	5,786	5,585	5,766	5,882
Change in working capital	(3,496)	10,970	3,569	216	(714)
Others	40	388	2,347	2,488	3,811
Investment cash flow	(11,716)	(7,941)	(15,653)	(15,512)	(14,189)
Net CAPEX	(3,867)	(2,333)	(18,000)	(18,000)	(18,000)
Change in LT investment	(9,856)	(7,057)	2,347	2,488	3,811
Change in other assets	2,008	1,449	0	0	0
Free cash flow	(7,957)	10,878	(2,066)	(4,161)	(2,293)
Financing cash flow					
Financing cash flow	(2,010)	(6,352)	16,990	(251)	(4,352)
Change in share capital	0	0	0	0	0
Net change in debt	6,199	2,423	18,857	3,000	0
Dividend paid	(1,121)	(1,074)	(1,022)	(994)	(1,159)
Others	(7,087)	(7,702)	(845)	(2,257)	(3,193)
Net cash flow	(9,967)	4,526	14,924	(4,412)	(6,645)

Per share (THB)					
EPS	0.60	0.64	0.80	1.11	1.12
Core EPS	0.85	0.82	0.80	1.11	1.12
CFPS	3.39	3.47	4.13	4.36	5.07
BVPS	13.84	12.83	13.01	13.74	14.41
Sales/share	21.43	21.25	23.05	25.97	26.23
EBITDA/share	5.26	5.09	5.35	5.69	5.93
DPS	0.43	0.41	0.32	0.44	0.45
Valuation					
P/E (x)	32.65	19.92	14.37	10.40	10.28
P/BV (x)	1.41	1.00	0.88	0.84	0.80
Dividend yield (%)	2.21	3.22	2.78	3.84	3.89
Dividend payout ratio (%)	72.00	64.10	40.00	40.00	40.00

GENERAL DISCLAIMER

Analyst Certification

Siriluck Pinthusoonthorn, Register No. 119539, 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.