

## Softer Near-Term Outlook

- EGCO's 1Q26 NP recovered q-q, driven by stronger overseas gas-fired assets and lower maintenance expenses.
- However, lower contribution from QPL and weaker Paju outlook are likely to reduce earnings quality vs historical levels.
- Maintain BUY at our SoTP TP to THB124

### Overseas Recovery q-q Lifts EGCO 1Q26 NP

EGCO reported a 1Q26 net profit (NP) of THB875m, recovering from a THB351m loss in 4Q25 but declining from THB3.58bn in 1Q25. Core NP came in at THB970m, vs THB91m in 4Q25 and THB1.61b in 1Q25. Key drivers were 1) stronger contribution from Paju ES, SBPL, NatGas, and Linden following higher electricity sales volumes and improved dispatch demand; 2) lower maintenance expenses at several plants; 3) improved margins at BLCP from lower fuel costs; 4) lower earnings contribution from QPL under the new PSA structure; and 5) weaker performance from Yunneng due to lower electricity selling prices and softer wind generation.

### FX Gain Partly Offsets Hedging Loss

Meanwhile, NP were impacted by a THB0.5bn hedging loss, partly offset by a THB0.2bn FX gain from THB depreciation. The sharp y-y decline was also due to the absence of THB2.6bn divestment gains recorded in 1Q25. We believe 1Q26 reflected improving operational performance from EGCO's overseas gas-fired assets after several maintenance shutdowns in 4Q25.

### EGCO Faces Softer 2Q26 Outlook

We expect 2Q26 earnings to soften q-q due to seasonal weakness in hydro and wind projects, maintenance shutdowns at Linden, maintenance shutdown for NatGas and narrower SPP margins from higher gas costs. However, EGCO's long-term outlook remains supported by its diversified overseas portfolio, stable cash flow base, and ongoing investment pipeline. In addition, the planned divestment of BPU and KLU stakes could enhance financial flexibility and support future growth investments.

### Overseas Assets Reshape EGCO's Earnings Base

EGCO's earnings base is increasingly driven by overseas assets, particularly gas-fired power plants in the U.S., Korea, and the Philippines, alongside renewable projects. EGCO continues to expand in the U.S., while domestic IPP assets provide stable cash flow support. However, we believe the portfolio is entering a structural transition phase as legacy high-return assets normalize. Lower NP from QPL under the new PSA structure and weaker utilisation outlook at Paju are likely to reduce overall earnings quality vs historical levels.

### Maintain BUY at TP of THB124

We maintain HOLD at our TP of THB124, QPL profit reset and softer dispatch at Paju. While the U.S. portfolio may offer some support, we see limited upside in the near term.

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ESG Rating : AA

CG Rating : ▲▲▲▲▲

## HOLD

Target Price 12M (THB)	124.00
VS. BB Consensus TP (%)	-2.4%
Share Price (THB)	116.50
Upside/Downside	+6.4%

#### Share Data

Market Cap (THB m)	61,333.17
Par (THB)	10.00
Free Float (%)	50.00
Issued shares (m shares)	526.5

#### Financial forecast

YE Dec (THB m)	2025	2026E	2027E	2028E
Revenue	32,086	30,364	30,648	29,631
Net profit	4,727	4,853	6,641	6,824
Core net profit	4,439	4,853	6,641	6,824
vs Consensus (%)		(27.9)	(5.6)	(2.8)
Net profit growth (%)	(12.6)	2.7	36.9	2.7
Core net profit growth (%)	(52.2)	9.3	36.9	2.7
EPS (THB)	8.98	9.22	12.62	12.96
Core EPS (THB)	8.43	9.22	12.62	12.96
Chg from previous (%)		0.00	0.00	0.00
DPS (THB)	6.50	3.69	5.05	5.18
P/E (x)	12.70	12.64	9.24	8.99
P/BV (x)	0.60	0.60	0.58	0.56
ROE (%)	4.35	4.81	6.38	6.30
Dividend yield (%)	5.70	3.16	4.33	4.45

Source: Financial Statement and Globlex securities

#### Share Price Performance (%)

	1M	3M	6M	YTD
Stock	4.48	(5.28)	(1.27)	2.19
Market	3.72	(10.75)	(17.45)	(15.20)
12M High/Low (THB)	143.00 / 99.25			



#### Major Shareholders (%) as of 16 Mar 2026

Electricity Generating Authority of Thailand	25.41
Tepdia Generating B.V.	22.42
Electricity Generating Authority of Thailand	6.33
Saving And Credit Cooperative Ltd.	

#### Company Profile

The Company operates as a holding company with its main business in 1) Operating power plants and supply electricity through independent power producer (IPP) and small power producers (SPP), 2) Providing operation, maintenance, engineering and construction services to power plants, petrochemical plants, oil refineries and other industries

Source: SETSMART, SET

### Exhibit 1: Summary of 1Q26 operations

	1Q25	4Q25	1Q26		2025	2026E	chg.	
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
<b>Revenue</b>	<b>9,350</b>	<b>7,375</b>	<b>8,278</b>	<b>12.2</b>	<b>(11.5)</b>	<b>32,086</b>	<b>30,364</b>	<b>(5.4)</b>
Operating costs	(7,049)	(6,668)	(6,954)	(4.3)	1.3	(24,783)	(19,321)	22.0
<b>EBITDA</b>	<b>2,301</b>	<b>707</b>	<b>1,324</b>	<b>87.3</b>	<b>(42.5)</b>	<b>4,451</b>	<b>9,221</b>	<b>107.2</b>
EBITDA margin (%)	24.6	9.6	16.0	na	na	13.9	30.4	na
Depn & amort.	(742)	(540)	(536)	0.8	27.8	(2,488)	(2,489)	(0.0)
EBIT	1,558	166	787	<b>373.3</b>	<b>(49.5)</b>	1,962	6,732	<b>243.1</b>
Interest expense	(1,284)	(761)	(2,251)	(195.7)	(75.4)	(2,917)	(6,091)	(108.8)
Interest & invt inc	-	-	-	nm	nm	-	-	nm
Other income	844	713	598	(16.2)	(29.1)	4,962.9	500.0	(89.9)
Associates' contrib	755	1,194	953	(20.2)	26.1	1,882.0	3,794.8	101.6
Exceptionals	2,791	(1,360)	1,144	184.1	(59.0)	289	-	(100.0)
<b>Pretax profit</b>	<b>4,665</b>	<b>(47)</b>	<b>1,231</b>	<b>2,699.5</b>	<b>(73.6)</b>	<b>6,179</b>	<b>4,936</b>	<b>(20.1)</b>
Tax	(1,088)	(304)	(368)	(21.1)	66.2	(1,454)	48	103.3
Tax rate (%)	23.3	(641.3)	29.9	na	na	23.5	(1.0)	na
Minority interests	(0)	0	12	5,561.8	19,964.4	2.0	(131.2)	nm
<b>Net profit</b>	<b>3,577</b>	<b>(351)</b>	<b>875</b>	<b>349.4</b>	<b>(75.5)</b>	<b>4,727</b>	<b>4,853</b>	<b>2.7</b>
Non-recurring	1,968	(442)	(95)	78.5	(104.8)	289	-	nm
<b>Core net profit</b>	<b>1,609</b>	<b>91</b>	<b>970</b>	<b>965.9</b>	<b>(39.7)</b>	<b>4,439</b>	<b>4,853</b>	<b>9.3</b>
EPS (THB)	6.79	(0.67)	1.66	349.4	(75.5)	8.98	9.22	2.7
Core EPS (THB)	3.06	0.17	1.84	965.9	(39.7)	8.43	9.22	9.3

Sources: EGCO, Globlex Research

### Exhibit 2: 1Q26 key performance

Operating profit	1Q25	4Q25	1Q26	(q-q%)	(y-y%)
<b>IPP (Domestic)</b>	<b>406</b>	<b>155</b>	<b>544</b>	<b>251.0</b>	<b>34.0</b>
KEGCO	282	215	270	25.6	(4.3)
BLCP	(126)	(162)	14	108.6	111.1
KPG	250	102	260	154.9	4.0
<b>Overseas</b>	<b>2,398</b>	<b>1,009</b>	<b>1,311</b>	<b>29.9</b>	<b>(45.3)</b>
Paju ES	456	(197)	184	193.4	(59.6)
XPCL	(1)	205	165	(19.5)	16,600.0
Quezon	852	156	213	36.5	(75.0)
NTPC	408	566	441	(22.1)	8.1
SBPL	342	(78)	253	424.4	(26.0)
Linden	(66)	112	325	190.2	592.4
NatGas(Compass)	237	(12)	305	2,641.7	28.7
<b>Others Overseas:</b>	<b>170</b>	<b>257</b>	<b>(575)</b>	<b>(323.7)</b>	<b>(438.2)</b>
NT1PC, BRWF, SEG, SEGSD, GDFC, Yunneng (Yunlin), Apex and RISEC.	170	257	(575)	(323.7)	(438.2)
<b>SPP</b>	<b>246</b>	<b>119</b>	<b>71</b>	<b>(40.3)</b>	<b>(71.1)</b>
EGCO Cogen, RG, BPU, KLU, CWF, YGP and NED	246	119	71	(40.3)	(71.1)
<b>VSPP</b>	<b>23</b>	<b>(7)</b>	<b>19</b>	<b>371.4</b>	<b>(17.4)</b>
SPP2, SPP3, SPP4, SPP5, TWF, Solarco and GPS	23	(7)	19	371.4	(17.4)
<b>Other Businesses</b>	<b>470</b>	<b>340</b>	<b>197</b>	<b>(42.1)</b>	<b>(58.1)</b>
ESCO, PEPOI, QMS, MME, E&E, TPN, Innopower, PeerPower and ERIE.	470	340	197	(42.1)	(58.1)

Sources: EGCO; Beyond Research

Balance sheet (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
<b>Current assets</b>					
Cash & ST investment	35,438	30,482	24,427	20,536	16,989
Account receivable	5,685	5,327	4,988	4,645	4,314
Inventories	0	0	0	0	0
Others	19,182	14,062	13,307	13,432	12,986
<b>Non-current assets</b>					
Net fixed assets	44,635	37,473	35,985	34,476	32,947
Others	136,123	134,363	134,363	134,363	134,363
<b>Total Assets</b>	<b>241,063</b>	<b>221,707</b>	<b>213,069</b>	<b>207,451</b>	<b>201,600</b>

<b>Current liabilities</b>					
Account payable	2,825	3,184	2,482	2,342	2,346
ST borrowing	17,535	23,110	23,110	23,110	23,110
Others	4,746	4,439	4,201	4,240	4,100
<b>Long-term liabilities</b>					
Long-term debts	96,083	83,401	73,401	63,401	53,401
Others	15,234	7,527	7,527	7,527	7,527
<b>Total liabilities</b>	<b>136,422</b>	<b>121,661</b>	<b>110,721</b>	<b>100,620</b>	<b>90,483</b>
Paid-up capital	5,265	5,265	5,265	5,265	5,265
Retained earnings	92,774	94,079	96,251	100,593	104,724
Others	6,335	449	449	449	449
Minority interest	267	253	384	525	679
<b>Shareholders' equity</b>	<b>104,640</b>	<b>100,045</b>	<b>102,348</b>	<b>106,831</b>	<b>111,116</b>

Key ratios					
Year ending Dec	2024	2025	2026E	2027E	2028E
<b>Growth (%YoY)</b>					
Sales	(18.8)	(20.4)	(5.4)	0.9	(3.3)
Operating profit	2.8	(47.3)	107.2	11.4	(9.5)
EBITDA	2.8	(47.3)	107.2	11.4	(9.5)
Net profit	164.6	(12.6)	2.7	36.9	2.7
Core net profit	6.3	(52.2)	9.3	36.9	2.7
EPS	164.6	(12.6)	2.7	36.9	2.7
Core EPS	6.3	(52.2)	9.3	36.9	2.7
<b>Profitability (%)</b>					
Gross margin	29.3	22.8	36.4	40.5	38.4
Operation margin	20.9	13.9	30.4	33.5	31.4
EBITDA margin	20.9	13.9	30.4	33.5	31.4
Net margin	13.4	14.7	16.0	21.7	23.0
ROE	8.9	4.3	4.8	6.4	6.3
ROA	9.0	1.4	5.2	6.0	5.9
<b>Stability</b>					
Interest bearing debt/equity (x)	1.1	1.1	0.9	0.8	0.7
Net debt/equity (x)	0.7	0.8	0.7	0.6	0.5
Interest coverage (x)	0.8	0.7	1.1	1.4	1.4
Interest & ST debt coverage (x)	0.2	0.1	0.2	0.3	0.2
Cash flow interest coverage (x)	0.1	0.1	0.1	0.1	0.2
Current ratio (x)	2.4	1.6	1.4	1.3	1.2
Quick ratio (x)	1.6	1.2	1.0	0.8	0.7
Net debt (THB m)	78,179	76,029	72,084	65,976	59,522
<b>Activity</b>					
Asset turnover (X)	0.2	0.1	0.1	0.1	0.1
Days receivables	55.3	62.6	62.0	57.4	55.2
Days inventory	0.0	0.0	0.0	0.0	0.0
Days payable	44.5	44.2	53.5	48.3	46.9
Cash cycle days	10.8	18.4	8.5	9.1	8.3

Profit & loss (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
<b>Revenue</b>					
Revenue	40,317	32,086	30,364	30,648	29,631
Cost of goods sold	(28,488)	(24,783)	(19,321)	(18,226)	(18,257)
<b>Gross profit</b>	<b>11,829</b>	<b>7,303</b>	<b>11,043</b>	<b>12,422</b>	<b>11,375</b>
Operating expenses	(3,383)	(2,852)	(1,822)	(2,145)	(2,074)
<b>Operating profit</b>	<b>8,445</b>	<b>4,451</b>	<b>9,221</b>	<b>10,276</b>	<b>9,300</b>
<b>EBIT</b>	<b>5,324</b>	<b>1,962</b>	<b>6,732</b>	<b>7,768</b>	<b>6,772</b>
Depreciation	(3,121)	(2,488)	(2,489)	(2,509)	(2,529)
<b>EBITDA</b>	<b>8,445</b>	<b>4,451</b>	<b>9,221</b>	<b>10,276</b>	<b>9,300</b>
<b>Non-operating income</b>					
Other incomes	3,362	3,158	2,000	2,000	2,000
Other non-op income	(2,972)	2,094	(1,500)	(1,500)	(1,500)
<b>Non-operating expense</b>	<b>(7,583)</b>	<b>(5,996)</b>	<b>(6,091)</b>	<b>(5,491)</b>	<b>(4,891)</b>
Interest expense	(7,056)	(2,917)	(6,091)	(5,491)	(4,891)
Other non-op expense	(527)	(3,079)	0	0	0
<b>Equity income/(loss)</b>	<b>8,473</b>	<b>4,961</b>	<b>3,795</b>	<b>3,861</b>	<b>4,477</b>
<b>Pre-tax Profit</b>	<b>6,605</b>	<b>6,179</b>	<b>4,936</b>	<b>6,638</b>	<b>6,858</b>
Extraordinary items					
Current taxation	(1,183)	(1,454)	48	144	120
Minorities	(10)	2	(131)	(140)	(154)
<b>Net Profit</b>	<b>5,411</b>	<b>4,727</b>	<b>4,853</b>	<b>6,641</b>	<b>6,824</b>
<b>Core net profit</b>	<b>9,283</b>	<b>4,439</b>	<b>4,853</b>	<b>6,641</b>	<b>6,824</b>
<b>EPS (THB)</b>	<b>10.28</b>	<b>8.98</b>	<b>9.22</b>	<b>12.62</b>	<b>12.96</b>
<b>Core EPS (THB)</b>	<b>17.63</b>	<b>8.43</b>	<b>9.22</b>	<b>12.62</b>	<b>12.96</b>

Cash flow (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
<b>Operating cash flow</b>					
Operating cash flow	16,659	17,708	11,290	13,128	14,470
Net profit	5,411	4,727	4,853	6,641	6,824
Depre. & amortization	3,121	2,488	2,489	2,509	2,529
Change in working capital	(346)	5,531	154	117	620
Others	8,473	4,961	3,795	3,861	4,477
<b>Investment cash flow</b>	<b>9,428</b>	<b>5,608</b>	<b>1,295</b>	<b>1,361</b>	<b>1,977</b>
Net CAPEX	(820)	4,673	(4,000)	(4,000)	(4,000)
Change in LT investment	3,819	1,224	2,295	2,361	2,977
Change in other assets	6,429	(288)	3,000	3,000	3,000
<b>Free cash flow</b>	<b>26,087</b>	<b>23,316</b>	<b>12,585</b>	<b>14,489</b>	<b>16,447</b>
<b>Financing cash flow</b>					
Financing cash flow	(19,512)	(28,272)	(18,640)	(18,381)	(19,993)
Change in share capital	0	0	0	0	0
Net change in debt	287	(7,106)	(10,000)	(10,000)	(10,000)
Dividend paid	(3,250)	(3,250)	(2,682)	(2,299)	(2,693)
Others	(16,549)	(17,916)	(5,958)	(6,082)	(7,300)
<b>Net cash flow</b>	<b>6,576</b>	<b>(4,956)</b>	<b>(6,055)</b>	<b>(3,892)</b>	<b>(3,546)</b>
<b>Per share (THB)</b>					
EPS	10.28	8.98	9.22	12.62	12.96
Core EPS	17.63	8.43	9.22	12.62	12.96
CFPS	16.23	13.70	14.19	17.65	18.06
BVPS	198.25	189.55	193.68	201.92	209.77
Sales/share	76.58	60.95	57.67	58.21	56.28
EBITDA/share	16.04	8.45	17.51	19.52	17.67
DPS	6.50	6.50	3.69	5.05	5.18
<b>Valuation</b>					
P/E (x)	11.38	12.70	12.64	9.24	8.99
P/BV (x)	0.59	0.60	0.60	0.58	0.56
Dividend yield (%)	5.56	5.70	3.16	4.33	4.45
Dividend payout ratio (%)	63.24	72.39	40.00	40.00	40.00

## GENERAL DISCLAIMER

### 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.