BCPG Public Co Ltd (BCPG TB) - SELL, Price Bt13.00, TP Bt13.50

Results Comment

Nuttapop Prasitsuksant | Email: nuttapop.pra@thanachartsec.co.th

3Q21 was a slight miss

- BCPG reported Bt643m norm profit in 3Q21 (after excluding impacts from FX gain, loss from asset disposal, and one-off debt refinancing cost), up 1% y-y and 29% q-q. However, due to a dilution impact from its capital raising plan last year, EPS was down 23% y-y to Bt0.24/share this quarter. It slightly missed our expectation due to lower-than-expected overall output from its plants
- Total revenues grew 5% y-y and 20% q-q to Bt1.3bn in 3Q21. A growth y-y was from capacity expansion as BCPG acquired few solar farms and hydropower project during the year. A stronger growth q-q was from a high season of hydropower.
- SG&A expenses rose 15% y-y following a capacity expansion, but it dropped 12% q-q from a lower employee benefit expense.
- EBITDA margin expanded to 81.6% in this peak quarter of power output from its hydropower project, from 76.7% in 2Q21, but still lower than 83.4% in 3Q20 on higher operating costs.
- We see a slight downside to our earnings forecast this year as its 9M21's profit made up only 72% of our projection. A start of its adders expiration from 2H22F and a heavy delay in its acquisition deals post capital raising plan (since August 2020) remain our key concerns on BCPG.

Income Statement					(consolidated)
Yr-end Dec (Bt m)	3Q20	4Q20	1Q21	2Q21	3Q21
Revenue	1,238	1,137	1,047	1,088	1,302
Gross profit	**864**	**741**	**653**	**692**	**908**
SG&A	115	156	137	149	132
Operating profit	750	585	515	543	777
EBITDA	**1,033**	**884**	**807**	**835**	**1,063**
Other income	4	11	25	15	15
Other expense	0	0	0	0	0
Interest expense	210	202	185	193	198
Profit before tax	**544**	**394**	**355**	**366**	**593**
Income tax	11	8	7	24	101
Equity & invest. income	101	99	140	157	150
Minority interests	(0)	1	0	0	0
Extraordinary items	39	(175)	35	66	42
Net profit	**673**	**311**	**523**	**565**	**685**
Normalized profit	**634**	**486**	**488**	**499**	**643**
EPS (Bt)	0.34	0.13	0.20	0.21	0.26
Normalized EPS (Bt)	0.32	0.21	0.18	0.19	0.24

Income Statement			9M as		
(Bt m)	q-q%	y-y%	% 2021F	2021F	2022F
Revenue	20	5	71	4,818	5,285
Gross profit	**31**	**5**	**69**	**3,282**	**3,542**
SG&A	(12)	15	78	538	607
Operating profit	43	4	67	2,744	2,935
EBITDA	**27**	**3**	**72**	**3,766**	**4,181**
Other income	(3)	255	152	36	25
Other expense			na	0	0
Interest expense	3	(6)	69	833	909
Profit before tax	**62**	**9**	**67**	**1,947**	**2,052**
Income tax	322	838	136	97	152
Equity & invest. income	(4)	49	104	430	455
Minority interests	(41)	na	na	0	0
Extraordinary items	(36)	7	na	0	0
Net profit	**21**	**2**	**78**	**2,280**	**2,355**
Normalized profit	**29**	**1**	**72**	**2,280**	**2,355**
EPS (Bt)	21	(23)	97	0.69	0.71
Normalized EPS (Bt)	29	(23)	89	0.69	0.71

Balance Sheet					(consolidated)
Yr-end Dec (Bt m)	3Q20	4Q20	1Q21	2Q21	3Q21
Cash & ST investment	3,719	11,138	10,553	9,298	9,272
A/C receivable	1,043	1,219	1,309	1,545	1,982
Inventory	0	0	0	0	0
Other current assets	118	135	138	247	1,102
Investment	13,199	11,723	12,378	12,720	13,527
Fixed assets	14,755	14,668	14,537	15,141	16,082
Other assets	12,839	12,336	12,597	12,813	14,142
Total assets	**45,672**	**51,220**	**51,512**	**51,763**	**56,107**
S-T debt	3,977	3,448	2,052	2,543	2,615
A/C payable	325	540	383	402	498
Other current liabilities	56	58	63	74	98
L-T debt	24,325	23,219	23,927	23,218	25,837
Other liabilities	1,454	1,405	1,384	1,402	1,425
Minority interest	50	69	69	68	68
Shareholders' equity	**15,486**	**22,480**	**23,634**	**24,055**	**25,566**
Working capital	717	680	926	1,143	1,484
Total debt	28,301	26,668	25,979	25,761	28,452
Net debt	**24,583**	**15,529**	**15,426**	**16,464**	**19,180**

Financial Ratios					
(%)	3Q20	4Q20	1Q21	2Q21	3Q21
Sales growth	56.7	15.9	18.1	12.2	5.2
Operating profit growth	79.4	11.7	19.9	9.2	3.6
EBITDA growth	77.0	20.1	21.2	10.2	2.9
Norm profit growth	54.8	12.9	21.0	32.3	1.4
Norm EPS growth	54.8	(2.7)	(8.4)	0.2	(23.3)
Gross margin	69.8	65.2	62.4	63.6	69.7
Operating margin	60.6	51.5	49.3	49.9	59.6
EBITDA margin	83.4	77.7	77.1	76.7	81.6
Norm net margin	51.2	42.7	46.7	45.9	49.4
D/E (x)	1.8	1.2	1.1	1.1	1.1
Net D/E (x)	1.6	0.7	0.7	0.7	0.7
Interest coverage (x)	4.9	4.4	4.4	4.3	5.4
Interest rate	3.1	2.9	2.8	3.0	2.9
Effective tax rate	2.0	2.1	2.0	6.5	17.0
ROA	5.7	4.0	3.8	3.9	4.8
ROE	16.7	10.2	8.5	8.4	10.4

Sources: Company data, Thanachart estimates

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