

**BCPG Pcl (BCPG TB) - BUY****News Update**

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**Key quarterly operating stats**

- **Strong output from TH solar farms**
- **Capacity expansion resulted as higher output in Japan**
- **Weakened hydropower is seasonal**
- **Revenues likely grow, despite lower total output y-y and q-q**

BCPG starts to report its quarterly operating statistics this quarter (4Q21). The numbers exhibit stronger output from its solar farms in Thailand, both y-y and q-q basis, likely from less rainfalls and higher productivity after panel upgrade. Higher output from Japan solar farms was from commissioning of a new plant. Lower power generation from two hydropower plants in Laos was on seasonality.

- Total electricity generation from three major countries its power plants located in (Thailand, Japan, and Laos) dropped 3% y-y and 21% q-q to 232GWh in 4Q21. Note that this excludes output from geothermal plants in Indonesia and wind farm in Philippines in which BCPG being a minority investor.
- Despite the low reported total output, we project for a stronger revenue from electricity sale for BCPG since an output growth in significantly higher subsidized tariff from Thai solar farms (Bt11/kWh) should be able to offset weaker volume sale from hydropower plants in Laos (Bt2.1/kWh).
- Output from solar farms in Thailand was at 77.6GWh in 4Q21, up 6% y-y and 3% q-q, supported by completion of solar panel upgrade since mid-2021 thus higher productivity and higher solar radiation given weak rainfalls this quarter.
- Wind power generation fell 3% y-y and 18% q-q, likely also on less storms.
- Strong solar output was also seen in Japan, up 105% y-y and 72% q-q, from stronger solar radiation. Having said that, major growth driver for this quarter is a commencing operation of Chiba-1 project (20MW contracted capacity).
- We are not concern on a sizable drop of power output from two hydropower plants in Laos (Nam San 3A and 3B) given third quarter is a usual peak season of water availability in Indochina region.

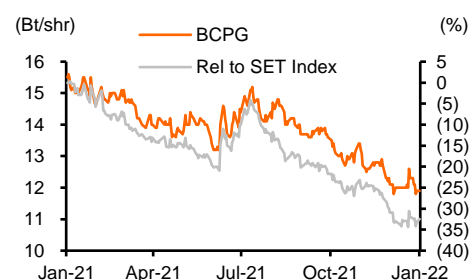
**Key Valuations**

Y/E Dec (Bt m)	2020A	2021F	2022F	2023F
Revenue	4,231	4,707	5,719	5,245
Net profit	1,912	2,184	2,634	2,114
Norm net profit	1,900	2,184	2,634	2,114
Norm EPS (Bt)	0.8	0.7	0.9	0.7
Norm EPS gr (%)	3.7	(8.6)	20.6	(19.7)
Norm PE (x)	15.0	16.4	13.6	17.0
EV/EBITDA (x)	13.2	13.7	10.8	13.6
P/BV (x)	1.6	1.4	1.3	1.3
Div. yield (%)	2.8	2.7	2.7	2.7
ROE (%)	10.0	9.1	10.0	7.6
Net D/E (%)	68.9	56.9	43.9	57.4

Source: Thanachart estimates

**Stock Data**

Closing price (Bt)	11.90
Target price (Bt)	15.00
Market cap (US\$ m)	1,044
Avg daily turnover (US\$ m)	4.4
12M H/L price (Bt)	15.60/11.80

**Price Performance**

Source: Bloomberg

**Ex 1: BCPG's Operating Statistics From 4Q21**

	4Q21	4Q20	Change (y-y%)	3Q21	Change (q-q%)
<b>Thailand</b>					
Solar output (GWh)	77.6	73.5	5.6	75.3	3.1
Wind output (GWh)	3.3	3.4	(2.9)	4.0	(17.5)
<b>Japan</b>					
Solar output (GWh)	8.6	4.2	104.8	5.0	72.0
<b>Laos</b>					
Hydro output (GWh)	142.2	157.1	(9.5)	210.2	(32.4)
<b>Total</b>	<b>231.7</b>	<b>238.2</b>	<b>(2.7)</b>	<b>294.5</b>	<b>(21.3)</b>

Sources: Company data

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