# BCPG Public Co Ltd (BCPG TB) - BUY, Price Bt13.00, TP Bt15.00

Results Comment

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## Better-than-expected 4Q21 result

- BCPG reported normalized profit, excluding one-off expenses and write-offs, at Bt628m in 4Q21, grew 29% y-y (2% fall q-q on seasonal impact) and beat our expectation. Full-year profit at Bt2.26bn in 2021 made-up 103% of our forecast, thanks to the earnings beat this quarter.
- Total revenue increased 8% y-y from higher output from its solar farms in Thailand (higher panel efficiency) and Japan (stronger radiation) to Bt1.23bn in 4Q21. It dropped 5% q-q due to seasonally lower generation from hydro plants in Laos.
- EBITDA therefore grew 9% y-y (fell 11% q-q, in-line with revenue trend) to Bt947m given no change in cost structure of its renewable projects. This is despite a significantly higher selling and admin expenses by 9% y-y due to resumption of business activities post Covid, and 30% q-q on seasonal.
- BCPG announces Bt0.17/share final dividend for 2021, with an XD date on 3 March and a payment date on 22 April 2022. Total dividend at Bt0.33/share in 2021 implies 49% payout from its full-year net profit.
- BCPG also announces a divestment of its 157.5MW equity-capacity geothermal projects in Indonesia at total price of Bt14.5bn (US$440m). The company targets to finalize the deal and book Bt1.6bn (Bt0.53/share) extra gain in 1Q22F.
- We maintain BUY on BCPG, as the best play on green energy trend. BCPG now has over Bt90bn budget to fuel its growth, which should more than offset impacts from expiring adders in its solar farms over 2022-25F.

| Income Statement | | | | | (consolidated) |
|---|---|---|---|---|---|
| Yr-end Dec (Bt m) | 4Q20 | 1Q21 | 2Q21 | 3Q21 | 4Q21 |
| Revenue | 1,137 | 1,047 | 1,088 | 1,302 | 1,232 |
| **Gross profit** | **741** | **653** | **692** | **908** | **808** |
| SG&A | 156 | 137 | 149 | 132 | 170 |
| Operating profit | 585 | 515 | 543 | 777 | 637 |
| **EBITDA** | **884** | **807** | **835** | **1,063** | **947** |
| Other income | 11 | 25 | 15 | 15 | 17 |
| Other expense | 0 | 0 | 0 | 0 | 0 |
| Interest expense | 202 | 185 | 193 | 198 | 211 |
| **Profit before tax** | **394** | **355** | **366** | **593** | **443** |
| Income tax | 8 | 7 | 24 | 101 | (33) |
| Equity & invest. income | 99 | 140 | 157 | 150 | 152 |
| Minority interests | 1 | 0 | 0 | 0 | (0) |
| Extraordinary items | (175) | 35 | 66 | 42 | (390) |
| **Net profit** | **311** | **523** | **565** | **685** | **238** |
| **Normalized profit** | **486** | **488** | **499** | **643** | **628** |
| EPS (Bt) | 0.13 | 0.20 | 0.21 | 0.26 | 0.09 |
| Normalized EPS (Bt) | 0.21 | 0.18 | 0.19 | 0.24 | 0.24 |

| Income Statement | | | 12M as | | |
|---|---|---|---|---|---|
| (Bt m) | q-q% | y-y% | % 2021F | 2021A | 2022F |
| Revenue | (5) | 8 | 99 | 4,669 | 5,719 |
| **Gross profit** | **(11)** | **9** | **99** | **3,061** | **3,732** |
| SG&A | 30 | 9 | 99 | 588 | 696 |
| Operating profit | (18) | 9 | 99 | 2,473 | 3,037 |
| **EBITDA** | **(11)** | **7** | **99** | **3,653** | **4,455** |
| Other income | 15 | 57 | 101 | 72 | 61 |
| Other expense | | | na | 0 | 0 |
| Interest expense | 6 | 4 | 98 | 787 | 824 |
| **Profit before tax** | **(25)** | **12** | **99** | **1,757** | **2,273** |
| Income tax | na | na | 62 | 99 | 234 |
| Equity & invest. income | 1 | 54 | 105 | 600 | 595 |
| Minority interests | na | na | na | 0 | 0 |
| Extraordinary items | na | na | na | (247) | 0 |
| **Net profit** | **(65)** | **(23)** | **92** | **2,011** | **2,634** |
| **Normalized profit** | **(2)** | **29** | **103** | **2,258** | **2,634** |
| EPS (Bt) | (65) | (33) | 105 | 0.67 | 0.87 |
| Normalized EPS (Bt) | (2) | 14 | 118 | 0.75 | 0.87 |

| Balance Sheet | | | | | (consolidated) |
|---|---|---|---|---|---|
| Yr-end Dec (Bt m) | 4Q20 | 1Q21 | 2Q21 | 3Q21 | 4Q21 |
| Cash & ST investment | 11,138 | 10,553 | 9,298 | 9,272 | 11,228 |
| A/C receivable | 1,219 | 1,309 | 1,545 | 1,982 | 2,317 |
| Inventory | 0 | 0 | 0 | 0 | 0 |
| Other current assets | 135 | 138 | 247 | 1,102 | 389 |
| Investment | 11,723 | 12,378 | 12,720 | 13,527 | 13,486 |
| Fixed assets | 14,668 | 14,537 | 15,141 | 16,082 | 17,372 |
| Other assets | 12,336 | 12,597 | 12,813 | 14,142 | 13,931 |
| **Total assets** | **51,220** | **51,512** | **51,763** | **56,107** | **58,721** |
| S-T debt | 3,448 | 2,052 | 2,543 | 2,615 | 3,544 |
| A/C payable | 540 | 383 | 402 | 498 | 888 |
| Other current liabilities | 58 | 63 | 74 | 98 | 246 |
| L-T debt | 23,219 | 23,927 | 23,218 | 25,837 | 25,574 |
| Other liabilities | 1,405 | 1,384 | 1,402 | 1,425 | 1,241 |
| Minority interest | 69 | 69 | 68 | 68 | 69 |
| **Shareholders' equity** | **22,480** | **23,634** | **24,055** | **25,566** | **27,160** |
| Working capital | 680 | 926 | 1,143 | 1,484 | 1,429 |
| Total debt | 26,668 | 25,979 | 25,761 | 28,452 | 29,118 |
| **Net debt** | **15,529** | **15,426** | **16,464** | **19,180** | **17,890** |

| Financial Ratios | | | | | |
|---|---|---|---|---|---|
| (%) | 4Q20 | 1Q21 | 2Q21 | 3Q21 | 4Q21 |
| Sales growth | 15.9 | 18.1 | 12.2 | 5.2 | 8.4 |
| Operating profit growth | 11.7 | 19.9 | 9.2 | 3.6 | 8.9 |
| EBITDA growth | 20.1 | 21.2 | 10.2 | 2.9 | 7.2 |
| Norm profit growth | 12.9 | 21.0 | 32.3 | 1.4 | 29.3 |
| Norm EPS growth | (2.7) | (8.4) | 0.2 | (23.3) | 13.5 |
| Gross margin | 65.2 | 62.4 | 63.6 | 69.7 | 65.6 |
| Operating margin | 51.5 | 49.3 | 49.9 | 59.6 | 51.7 |
| EBITDA margin | 77.7 | 77.1 | 76.7 | 81.6 | 76.9 |
| Norm net margin | 42.7 | 46.7 | 45.9 | 49.4 | 51.0 |
| D/E (x) | 1.2 | 1.1 | 1.1 | 1.1 | 1.1 |
| Net D/E (x) | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 |
| Interest coverage (x) | 4.4 | 4.4 | 4.3 | 5.4 | 4.5 |
| Interest rate | 2.9 | 2.8 | 3.0 | 2.9 | 2.9 |
| Effective tax rate | 2.1 | 2.0 | 6.5 | 17.0 | (7.4) |
| ROA | 4.0 | 3.8 | 3.9 | 4.8 | 4.4 |
| ROE | 10.2 | 8.5 | 8.4 | 10.4 | 9.5 |

Sources: Company data, Thanachart estimates

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