

BCPG Public Co Ltd (BCPG TB) - BUY, Price Bt9.65, TP Bt16.00**Results Comment**

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3Q22 slightly missed our forecasts

- BCPG reported normalized profit (excluding FX gain and one-off tax expense) at Bt583m in 3Q22, down 9% y-y but grew 13% q-q in a like-for-like basis. The profit came in slightly lower than our expectation due to weaker-than-expected electricity generation from its solar farms in Thailand and higher-than-expected increase of an interest expense.
- Total revenue increased 19% y-y and 7% q-q to Bt1.54bn in 3Q22. The y-y growth was driven by commencing operation of its solar farms in Japan over the past 12 months and stronger hydropower output, while the growth q-q was from higher electricity output from hydropower project in its high season.
- Consolidated EBITDA thus grew 20% y-y and 10% q-q, in-line with revenue growth, to Bt1.27bn in 3Q22.
- BCPG recorded Bt17m shared loss from its affiliates this quarter, significantly dropped y-y given it divested geothermal power plant in Indonesia earlier this year. It also weakened q-q on lower electricity generation from its wind farm in Philippines despite its high season.
- We see a downside to our full-year earnings forecast for 2022F given BCPG's 9M22 profit made up only 73% of our numbers, while its earnings is likely to drop slightly next quarter as it is moving out from high season period of its hydropower project.

| Income Statement | | | | | | Income Statement | | | | | |
|--------------------------|--------------|------------|--------------|--------------|--------------|--------------------------|-----------|------------|------------|--------------|--------------|
| (consolidated) | | | | | | 9M as | | | | | |
| Yr-end Dec (Bt m) | 3Q21 | 4Q21 | 1Q22 | 2Q22 | 3Q22 | (Bt m) | q-q% | y-y% | % 2022F | 2022F | 2023F |
| Revenue | 1,302 | 1,232 | 1,158 | 1,436 | 1,544 | Revenue | 7 | 19 | 74 | 5,606 | 5,552 |
| Gross profit | 908 | 808 | 738 | 933 | 1,022 | Gross profit | 10 | 13 | 73 | 3,704 | 3,363 |
| SG&A | 132 | 170 | 147 | 161 | 148 | SG&A | (8) | 13 | 66 | 687 | 745 |
| Operating profit | 777 | 637 | 591 | 772 | 874 | Operating profit | 13 | 13 | 74 | 3,017 | 2,617 |
| EBITDA | 1,063 | 947 | 915 | 1,162 | 1,272 | EBITDA | 9 | 20 | 81 | 4,116 | 3,916 |
| Other income | 15 | 17 | 17 | 31 | 35 | Other income | 13 | 138 | 70 | 119 | 115 |
| Other expense | 0 | 0 | 0 | 0 | 0 | Other expense | | | na | 0 | 0 |
| Interest expense | 198 | 211 | 206 | 231 | 251 | Interest expense | 9 | 27 | 84 | 821 | 915 |
| Profit before tax | 593 | 443 | 402 | 572 | 658 | Profit before tax | 15 | 11 | 70 | 2,315 | 1,818 |
| Income tax | 101 | (33) | 26 | 47 | 57 | Income tax | 22 | (43) | 59 | 219 | 176 |
| Equity & invest. income | 150 | 152 | 142 | (9) | (17) | Equity & invest. income | na | na | 107 | 108 | 17 |
| Minority interests | 0 | (0) | (0) | (1) | (0) | Minority interests | na | na | na | 0 | 0 |
| Extraordinary items | 42 | (390) | 846 | (186) | 57 | Extraordinary items | na | 36 | na | 0 | 0 |
| Net profit | 685 | 238 | 1,363 | 330 | 640 | Net profit | 94 | (7) | 106 | 2,204 | 1,659 |
| Normalized profit | 643 | 628 | 517 | 516 | 583 | Normalized profit | 13 | (9) | 73 | 2,204 | 1,659 |
| EPS (Bt) | 0.26 | 0.09 | 0.52 | 0.12 | 0.24 | EPS (Bt) | 94 | (7) | 116 | 0.76 | 0.57 |
| Normalized EPS (Bt) | 0.24 | 0.24 | 0.20 | 0.20 | 0.22 | Normalized EPS (Bt) | 13 | (9) | 80 | 0.76 | 0.57 |

| Balance Sheet | | | | | | Financial Ratios | | | | | |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|--------------------------|--------|-------|------|------|-------|
| (consolidated) | | | | | | 9M as | | | | | |
| Yr-end Dec (Bt m) | 3Q21 | 4Q21 | 1Q22 | 2Q22 | 3Q22 | (%) | 3Q21 | 4Q21 | 1Q22 | 2Q22 | 3Q22 |
| Cash & ST investment | 9,272 | 11,228 | 25,386 | 22,115 | 19,936 | Sales grow th | 5.2 | 8.4 | 10.7 | 32.0 | 18.5 |
| A/C receivable | 1,982 | 2,317 | 2,094 | 2,433 | 1,596 | Operating profit grow th | 3.6 | 8.9 | 14.6 | 42.1 | 12.5 |
| Inventory | 0 | 0 | 0 | 0 | 0 | EBITDA grow th | 2.9 | 7.2 | 13.4 | 39.2 | 19.6 |
| Other current assets | 1,102 | 389 | 612 | 732 | 1,146 | Norm profit grow th | 1.4 | 29.3 | 5.8 | 3.4 | (9.3) |
| Investment | 13,527 | 13,486 | 1,261 | 1,246 | 1,388 | Norm EPS grow th | (23.3) | 13.5 | 5.7 | 3.4 | (9.3) |
| Fixed assets | 16,082 | 17,372 | 17,322 | 17,089 | 17,056 | Gross margin | 69.7 | 65.6 | 63.7 | 65.0 | 66.2 |
| Other assets | 14,142 | 13,931 | 13,479 | 14,007 | 15,928 | Operating margin | 59.6 | 51.7 | 51.0 | 53.8 | 56.6 |
| Total assets | 56,107 | 58,721 | 60,155 | 57,622 | 57,050 | EBITDA margin | 81.6 | 76.9 | 79.0 | 80.9 | 82.4 |
| S-T debt | 2,615 | 3,544 | 3,441 | 3,049 | 2,397 | Norm net margin | 49.4 | 51.0 | 44.6 | 35.9 | 37.8 |
| A/C payable | 498 | 888 | 1,097 | 1,060 | 878 | D/E (x) | 1.1 | 1.1 | 1.0 | 0.9 | 0.8 |
| Other current liabilities | 98 | 246 | 556 | 594 | 426 | Net D/E (x) | 0.7 | 0.7 | 0.1 | 0.1 | 0.2 |
| L-T debt | 25,837 | 25,574 | 25,111 | 22,650 | 22,161 | Interest coverage (x) | 5.4 | 4.5 | 4.4 | 5.0 | 5.1 |
| Other liabilities | 1,425 | 1,241 | 1,189 | 1,246 | 1,674 | Interest rate | 2.9 | 2.9 | 2.9 | 3.4 | 4.0 |
| Minority interest | 68 | 69 | 69 | 70 | 70 | Effective tax rate | 17.0 | (7.4) | 6.5 | 8.1 | 8.7 |
| Shareholders' equity | 25,566 | 27,160 | 28,692 | 28,954 | 29,444 | ROA | 4.8 | 4.4 | 3.5 | 3.5 | 4.1 |
| Working capital | 1,484 | 1,429 | 996 | 1,373 | 719 | ROE | 10.4 | 9.5 | 7.4 | 7.2 | 8.0 |
| Total debt | 28,452 | 29,118 | 28,552 | 25,699 | 24,558 | | | | | | |
| Net debt | 19,180 | 17,890 | 3,166 | 3,584 | 4,622 | | | | | | |

Sources: Company data, Thanachart estimates

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