

BCPG Public Co Ltd (BCPG TB) - BUY, Price Bt6.30, TP Bt10.00**Results Comment**

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Better-than-expected 3Q24 profit

- BCPG reported Bt441m normalized profit (excluding gain/loss from FX and hedging and other non-cash items) in 3Q24, grew strongly 350% q-q but down 1% in a y-y basis. The profit beat our estimates on stronger-than-expected contribution from US gas-fired power plants acquired during the year.
- Gross profit dropped 32% y-y to Bt586m in 3Q24, pressured by expiration of adders at its solar farms in Thailand and no more profit contribution from solar projects in Japan, after they were divested in June. It grew 58% q-q driven by high season of electricity generation from hydropower plants in Laos.
- SG&A expense increased 7% y-y, but flat q-q, to Bt149m in 3Q24 from higher staff-related costs.
- EBITDA was thus similar with gross profit trend, down 33% y-y but grew 14% q-q to Bt824m in 3Q24.
- Equity income increased 125% y-y and 14% q-q to Bt412m in 3Q24. A y-y improvement was from a series of gas-fired power plants acquired during the past year, while a higher profit q-q was due to the high season of strong power demand during the summer period in the US.
- We see an upside to our 2024F earnings forecast as BCPG's 9M24 profit already made up 96% of our full-year numbers. We reaffirm BUY on BCPG.

Income Statement						Income Statement					
(consolidated)						9M as					
Yr-end Dec (Bt m)	3Q23	4Q23	1Q24	2Q24	3Q24	(Bt m)	q-q%	y-y%	% 2024F	2024F	2025F
Revenue	1,564	1,318	1,194	1,084	1,125	Revenue	4	(28)	83	4,116	4,379
Gross profit	861	550	501	372	586	Gross profit	58	(32)	77	1,889	1,896
SG&A	139	156	122	150	149	SG&A	(0)	7	79	533	535
Operating profit	722	393	379	222	437	Operating profit	97	(39)	77	1,357	1,360
EBITDA	1,223	895	874	720	824	EBITDA	14	(33)	84	2,879	2,726
Other income	60	95	58	36	83	Other income	132	38	91	194	176
Other expense	0	0	0	0	0	Other expense					
Interest expense	370	421	419	411	370	Interest expense	(10)	(0)	76	1,583	1,581
Profit before tax	412	68	17	(153)	151	Profit before tax	na	(63)	(49)	(32)	(45)
Income tax	148	97	117	112	122	Income tax	9	(17)	87	402	423
Equity & invest. income	183	59	446	363	412	Equity & invest. income	14	125	93	1,309	1,529
Minority interests	(0)	0	(1)	(1)	0	Minority interests	na	na	na	0	0
Extraordinary items	118	(204)	95	1,146	(469)	Extraordinary items	na	na	36	2,159	0
Net profit	565	(174)	441	1,243	(28)	Net profit	na	na	55	3,034	1,061
Normalized profit	447	30	345	98	441	Normalized profit	350	(1)	101	875	1,061
EPS (Bt)	0.19	(0.06)	0.15	0.42	(0.01)	EPS (Bt)	na	na	53	1.05	0.37
Normalized EPS (Bt)	0.15	0.01	0.12	0.03	0.15	Normalized EPS (Bt)	350	(4)	98	0.30	0.37
Balance Sheet						Financial Ratios					
(consolidated)						9M as					
Yr-end Dec (Bt m)	3Q23	4Q23	1Q24	2Q24	3Q24	(%)	3Q23	4Q23	1Q24	2Q24	3Q24
Cash & ST investment	9,897	9,790	8,654	13,084	7,674	Sales grow th	1.3	4.0	12.9	(0.8)	(28.1)
A/C receivable	2,167	2,006	1,972	1,742	1,919	Operating profit grow th	(17.4)	(28.8)	(1.8)	(42.0)	(39.4)
Inventory	0	0	0	0	0	EBITDA grow th	(3.8)	(5.3)	13.7	(10.4)	(32.6)
Other current assets	634	539	506	1,140	1,267	Norm profit grow th	(25.4)	(92.4)	101.8	(46.4)	(1.3)
Investment	17,913	22,295	24,554	22,772	19,845	Norm EPS grow th	(25.7)	(92.6)	95.8	(48.0)	(4.2)
Fixed assets	22,636	23,011	22,748	16,210	16,145	Gross margin	55.0	41.7	42.0	34.3	52.1
Other assets	17,409	16,599	17,186	15,637	14,260	Operating margin	46.2	29.8	31.7	20.5	38.9
Total assets	70,654	74,240	75,620	70,584	61,110	EBITDA margin	78.2	67.9	73.2	66.5	73.3
S-T debt	4,839	9,646	9,661	8,432	3,887	Norm net margin	28.6	2.3	28.9	9.0	39.2
A/C payable	813	1,708	811	1,254	1,066	D/E (x)	1.2	1.4	1.3	1.1	1.0
Other current liabilities	420	457	704	335	313	Net D/E (x)	0.9	1.0	1.0	0.7	0.8
L-T debt	31,297	30,423	30,611	26,387	25,613	Interest coverage (x)	3.3	2.1	2.1	1.8	2.2
Other liabilities	2,592	2,393	2,411	1,474	1,237	Interest rate	4.2	4.4	4.2	4.4	4.6
Minority interest	53	53	54	54	215	Effective tax rate	35.9	143.0	675.3	(73.3)	81.1
Shareholders' equity	30,640	29,558	31,369	32,648	28,778	ROA	2.6	0.2	1.8	0.5	2.7
Working capital	1,354	297	1,161	488	853	ROE	5.9	0.4	4.5	1.2	5.7
Total debt	36,136	40,069	40,272	34,818	29,500						
Net debt	26,239	30,279	31,618	21,735	21,826						

Sources: Company data, Thanachart estimates

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