

Electricity Generating (EGCO TB) - SELL, Price Bt96.25, TP Bt93.5

Results Comment

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A strong beat in 4Q24

- EGCO reported Bt106m net loss in 4Q24, but after stripping off gain/loss from FX and hedging and Bt2.7bn impairment cost on Quezon project and oil pipeline business in Thailand, we estimate its norm profit was Bt3.1bn (up 171% y-y but fell 20% q-q in a like-for-like basis), a significant beat to our numbers.
- EGCO's full-year normalized profit of Bt11.4bn in 2024, grew 13% y-y, beats our expectation at 114% of our forecast, mainly from stronger-than-expected performance from Yunlin project and SPP power plants, including higher-than-expected interest and dividend incomes.
- Gross profit was Bt2.5bn in 4Q24, up 11% y-y but dropped 1% q-q, slightly above our expectation due to strong performance from Quezon coal power plant in the Philippines and better-than-expected profit contribution from domestic SPP projects.
- Thanks to a well-controlled SG&A expense at Bt864m (down 16% y-y and 7% q-q), EBITDA grew 26% y-y (but flat q-q) to Bt2.4bn in 4Q24.
- Equity income surged 373% y-y to Bt2.3bn in 4Q24, driven mainly by a full-quarter contribution after Yunlin offshore wind project in Taiwan has fully commenced operation in October and some recognition of insurance claim on the project. It fell 29% q-q as strong profit from Yunlin was more than offset by its two major power plants (Paju and Linden) went down for their planned maintenance during the quarter.
- EGCO announces Bt3.25/share final dividend with an XD date on 13 March and a dividend payment date on 23 April 2025. This made its full-year dividend become Bt6.5/share in 2024, implying 30% payout from normalized profit.

Income Statement						Income Statement					
(consolidated)						12M as					
Yr-end Dec (Bt m)	4Q23	1Q24	2Q24	3Q24	4Q24	(Bt m)	q-q%	y-y%	% 2024F	2024A	2025F
Revenue	10,680	9,852	9,943	10,928	9,594	Revenue	(12)	(10)	87	40,317	37,337
Gross profit	2,276	1,408	2,231	2,544	2,525	Gross profit	(1)	11	111	8,707	5,807
SG&A	1,026	748	841	930	864	SG&A	(7)	(16)	116	3,383	2,541
Operating profit	1,251	660	1,391	1,613	1,660	Operating profit	3	33	108	5,324	3,266
EBITDA	1,904	1,443	2,189	2,411	2,401	EBITDA	(0)	26	105	8,445	6,381
Other income	964	789	869	771	933	Other income	21	(3)	237	3,362	1,476
Other expense	0	0	0	0	0	Other expense					
Interest expense	1,304	1,518	1,600	1,520	1,499	Interest expense	(1)	15	100	6,137	5,679
Profit before tax	911	(68)	659	864	1,094	Profit before tax	27	20	1,297	2,549	(937)
Income tax	260	187	323	273	301	Income tax	10	16	2,204	1,083	0
Equity & invest. income	482	2,346	2,122	3,227	2,281	Equity & invest. income	(29)	373	101	9,976	9,809
Minority interests	1	(4)	(4)	1	(3)	Minority interests	na	na	na	(10)	(8)
Extraordinary items	(15,373)	(425)	(1,061)	(1,358)	(3,178)	Extraordinary items	na	na	na	(6,021)	0
Net profit	(14,239)	1,662	1,393	2,462	(106)	Net profit	na	na	54	5,411	8,864
Normalized profit	1,134	2,087	2,454	3,820	3,071	Normalized profit	(20)	171	115	11,432	8,864
EPS (Bt)	(27.0)	3.2	2.6	4.7	(0.2)	EPS (Bt)	na	na	54	10.3	16.8
Normalized EPS (Bt)	2.2	4.0	4.7	7.3	5.8	Normalized EPS (Bt)	(20)	171	115	21.7	16.8

Balance Sheet						Financial Ratios					
(consolidated)						12M as					
Yr-end Dec (Bt m)	4Q23	1Q24	2Q24	3Q24	4Q24	(%)	4Q23	1Q24	2Q24	3Q24	4Q24
Cash & equivalent	28,862	33,743	34,175	37,004	35,438	Sales grow th	(37.0)	(25.6)	(27.2)	(9.3)	(10.2)
A/C receivable	6,523	6,056	5,966	6,048	5,685	Operating profit grow th	(10.7)	(51.7)	2.0	35.1	32.7
Inventory	4,150	4,171	3,262	3,024	2,774	EBITDA grow th	(16.0)	(31.4)	(0.6)	20.3	26.1
Other current assets	15,175	21,833	20,995	18,769	16,408	Norm profit grow th	(34.5)	7.7	(21.6)	(1.9)	170.8
Investment	116,351	125,033	126,068	113,344	114,151	Norm EPS grow th	(34.5)	7.7	(21.6)	(1.9)	170.8
Fixed assets	46,936	47,929	47,663	44,254	44,635	Gross margin	21.3	14.3	22.4	23.3	26.3
Other assets	25,236	25,910	26,194	22,799	21,971	Operating margin	11.7	6.7	14.0	14.8	17.3
Total assets	243,233	264,677	264,323	245,242	241,063	EBITDA margin	17.8	14.7	22.0	22.1	25.0
S-T debt	13,975	26,729	28,930	25,767	17,535	Norm net margin	10.6	21.2	24.7	35.0	32.0
A/C payable	4,115	4,203	3,388	3,960	2,825	D/E (x)	1.1	1.2	1.3	1.2	1.2
Other current liabilities	4,782	5,200	4,504	4,077	4,746	Net D/E (x)	0.8	0.9	0.9	0.9	0.8
L-T debt	99,472	109,931	109,479	100,718	103,077	Interest coverage (x)	1.5	1.0	1.4	1.6	1.6
Other liabilities	15,662	8,497	8,269	7,662	8,240	Interest rate	4.4	4.9	4.7	4.6	4.9
Minority interest	299	296	275	265	267	Effective tax rate	28.5	(272.7)	49.0	31.5	27.5
Shareholders' equity	99,472	109,931	109,479	100,718	103,077	ROA	1.8	3.3	3.7	6.0	5.1
Working capital	6,558	6,024	5,840	5,111	5,635	ROE	3.9	7.8	9.0	14.4	11.9
Total debt	113,447	136,660	138,410	126,485	120,611						
Net debt	84,585	102,917	104,235	89,480	85,173						

Sources: Company data, Thanachart estimates

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