

BEC World Pcl (BEC TB) - SELL, Price Bt3.98, TP Bt2.80**Results Comment**

Rata Limsuthiwanpoom | Email: rata.lim@thanachartsec.co.th

Good 1Q25 profit, in-line

- BEC reported net profit of Bt43m in 1Q25. Excluding impairment of some assets, we estimate normalized profit of Bt38m, up 122% y-y and 58% q-q. Key profit driver is falling SG&A expense following company restructuring in late 2024
- Advertising revenue dropped 14% y-y and 9% q-q to Bt756m (76% of total).
- Revenue from content sales and other services up 123% y-y but fell 7% y-y to Bt238m (24% of total).
- Operating margin improved to 5.3% in 1Q25 (vs. 1.8% in 1Q24 and 1.1% in 4Q24), driven by lower SG&A.
- 1Q25 earnings made up 32% of our full-year forecast. However, with a weak ad market and economic headwinds, we expect softer profit in coming quarters.
- We maintain a SELL rating, as industry disruption continues and BEC still lacks a clear new business model.

Income Statement						Income Statement					
(consolidated)						3M as					
Yr-end Dec (Bt m)	1Q24	2Q24	3Q24	4Q24	1Q25	(Bt m)	q-q%	y-y%	% 2025F	2025F	2026F
Revenue	984	1,110	1,068	1,089	994	Revenue	(9)	1	27	3,750	3,440
Gross profit	190	267	248	262	191	Gross profit	(27)	1	27	713	583
SG&A	172	173	184	249	138	SG&A	(45)	(20)	19	710	609
Operating profit	17	93	65	12	53	Operating profit	329	204	1,582	3	(26)
EBITDA	394	401	530	360	397	EBITDA	10	1	30	1,339	1,247
Other income	28	14	15	10	16	Other income	53	(43)	26	61	57
Other expense	0	0	0	0	0	Other expense					
Interest expense	27	27	27	27	26	Interest expense	(3)	(4)	47	56	47
Profit before tax	18	81	53	(4)	43	Profit before tax	na	135	469	9	(16)
Income tax	5	16	2	81	12	Income tax	(86)	131	633	2	0
Equity & invest. income	4	6	(4)	109	7	Equity & invest. income	(94)	76	6	110	110
Minority interests	0	0	0	0	0	Minority interests					
Extraordinary items	(3)	1	(1)	(59)	5	Extraordinary items	na	na	na	0	0
Net profit	14	71	46	(35)	43	Net profit	na	204	37	117	94
Normalized profit	17	71	47	24	38	Normalized profit	58	122	32	117	94
EPS (Bt)	0.01	0.04	0.02	(0.02)	0.02	EPS (Bt)	na	204	37	0.06	0.05
Normalized EPS (Bt)	0.01	0.04	0.02	0.01	0.02	Normalized EPS (Bt)	58	122	32	0.06	0.05

Balance Sheet						Financial Ratios					
(consolidated)						3M as					
Yr-end Dec (Bt m)	1Q24	2Q24	3Q24	4Q24	1Q25	(%)	1Q24	2Q24	3Q24	4Q24	1Q25
Cash & ST investment	4,046	4,054	4,323	4,413	4,769	Sales grow th	(1.2)	(7.9)	(4.1)	(18.6)	1.0
A/C receivable	623	650	560	461	449	Operating profit grow th	(5.5)	(12.0)	3.5	(91.5)	204.0
Inventory	0	0	0	0	0	EBITDA grow th	(9.1)	(15.0)	0.2	(40.2)	0.9
Other current assets	61	106	136	181	53	Norm profit grow th	663.9	(0.9)	27.4	(72.6)	122.5
Investment	0	0	0	0	0	Norm EPS grow th	663.9	(0.9)	27.4	(72.6)	122.5
Fixed assets	248	293	283	246	230	Gross margin	19.3	24.0	23.3	24.0	19.2
Other assets	4,522	4,274	4,084	3,903	3,760	Operating margin	1.8	8.4	6.0	1.1	5.3
Total assets	9,500	9,377	9,386	9,205	9,260	EBITDA margin	40.0	36.1	49.6	33.1	40.0
S-T debt	0	1,244	1,244	1,245	1,245	Norm net margin	1.7	6.4	4.4	2.2	3.8
A/C payable	503	435	446	454	502	D/E (x)	0.3	0.3	0.3	0.3	0.3
Other current liabilities	310	312	354	245	220	Net D/E (x)	(0.3)	(0.3)	(0.4)	(0.4)	(0.5)
L-T debt	1,996	753	753	753	753	Interest coverage (x)	14.6	14.9	19.7	13.5	15.3
Other liabilities	530	522	511	436	424	Interest rate	5.4	5.4	5.4	5.3	5.2
Minority interest	0	0	0	0	0	Effective tax rate	27.5	19.9	4.3	(2,004.8)	27.0
Shareholders' equity	6,161	6,112	6,078	6,072	6,115	ROA	0.7	3.0	2.0	1.0	1.7
Working capital	120	215	114	7	(53)	ROE	1.1	4.6	3.1	1.6	2.5
Total debt	1,996	1,996	1,997	1,998	1,998						
Net debt	(2,050)	(2,058)	(2,326)	(2,416)	(2,770)						

Sources: Company data, Thanachart estimates

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