

B.Grimm Power Pcl (BGRIM TB) - HOLD, Price Bt11.80, TP Bt10.00**Results Comment**

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Decent 1Q25 profit, in-line

- BGRIM reported Bt654m net profit in 1Q25. However, stripping off impacts of FX gain and non-core accounting items, we estimate its normalized profit was at Bt596m this quarter, up 21% y-y and 190% q-q in a like-for-like basis.
- Gross profit declined slightly 2% y-y and 1% q-q to Bt2.5bn in 1Q25. For y-y comparison, weak electricity volume sale from domestic SPP plants could be nearly offset by additional profits from Malacha hydropower in the US acquired in 2Q24. Weaker SPP margins than the previous quarter was also partially offset by stronger output from Malacha during its high season.
- We estimate its SPP's spark margin was at Bt1.22/kWh this quarter, vs. Bt1.22 in 1Q24 and Bt1.40 in 4Q24. IU electricity sale volume dropped 7% y-y, but up 2% q-q, to 940GWh.
- SG&A expense increased 11% y-y to Bt577m in 1Q25, mainly from business expansion. It dropped 25% q-q on seasonality.
- EBITDA fell 3% y-y to Bt3.4bn this quarter due to weaker SPP profits. It rose 6% q-q from seasonally lower SG&A expense.
- Equity income was strong at Bt162m, but it was mainly from a mark-to-market gain on FX from its solar projects in Japan.
- Net interest bearing debt (IBD) to equity increased to 1.80x this quarter, from 1.52x in 1Q24. It fell slightly from 1.86x.
- We maintain HOLD on BGRIM as we still see a domestic policy risk on electricity price reduction as a pressure on its earnings growth outlook, while new projects under development will yet contribute significant profit until late 2026F.

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	14,165	13,651	14,679	13,358	13,705	Revenue	3	(3)	26	52,082	49,716
Gross profit	2,552	2,731	2,810	2,513	2,495	Gross profit	(1)	(2)	23	10,812	10,385
SG&A	519	559	650	774	577	SG&A	(25)	11	23	2,465	2,352
Operating profit	2,033	2,173	2,160	1,738	1,918	Operating profit	10	(6)	23	8,347	8,033
EBITDA	3,497	3,654	3,682	3,197	3,382	EBITDA	6	(3)	24	14,256	13,946
Other income	231	298	342	299	247	Other income	(17)	7	24	1,042	994
Other expense	0	0	0	0	0	Other expense			na		
Interest expense	1,280	1,366	1,297	1,287	1,249	Interest expense	(3)	(2)	23	5,358	5,470
Profit before tax	984	1,104	1,205	750	917	Profit before tax	22	(7)	23	4,031	3,557
Income tax	45	98	276	(23)	89	Income tax	na	98	22	403	356
Equity & invest. income	(21)	30	236	(206)	162	Equity & invest. income	na	na	35	465	797
Minority interests	(428)	(427)	(388)	(361)	(394)	Minority interests	na	na	22	(1,822)	(1,641)
Extraordinary items	(112)	(381)	(615)	581	58	Extraordinary items	(90)	na	na	0	0
Net profit	379	229	163	787	654	Net profit	(17)	73	29	2,271	2,357
Normalized profit	490	610	778	206	596	Normalized profit	190	21	26	2,271	2,357
EPS (Bt)	0.15	0.09	0.06	0.30	0.25	EPS (Bt)	(17)	73	48	0.52	0.55
Normalized EPS (Bt)	0.19	0.23	0.30	0.08	0.23	Normalized EPS (Bt)	190	21	44	0.52	0.55

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	40,814	37,493	29,733	27,469	30,195	Sales growth	(10.1)	(8.3)	11.0	0.8	(3.2)
A/C receivable	11,020	10,558	13,630	14,851	14,024	Operating profit growth	12.2	(0.9)	1.7	(2.0)	(5.7)
Inventory	944	1,001	399	1,059	1,097	EBITDA growth	13.2	4.0	6.4	(6.7)	(3.3)
Other current assets	1,904	1,575	2,710	3,046	2,850	Norm profit growth	29.0	(11.3)	27.5	(45.9)	21.5
Investment	7,094	7,274	7,236	6,909	7,152	Norm EPS growth	75.1	29.1	97.0	24.5	21.5
Fixed assets	94,139	94,136	91,290	92,118	92,521	Gross margin	18.0	20.0	19.1	18.8	18.2
Other assets	25,052	26,979	30,422	35,448	35,677	Operating margin	14.4	15.9	14.7	13.0	14.0
Total assets	180,966	179,016	175,420	180,901	183,515	EBITDA margin	24.7	26.8	25.1	23.9	24.7
S-T debt	9,667	12,701	12,047	23,102	24,012	Norm net margin	3.5	4.5	5.3	1.5	4.3
A/C payable	8,808	9,175	7,397	7,744	9,562	D/E (x)	2.1	2.1	2.2	1.2	2.2
Other current liabilities	703	660	729	668	757	Net D/E (x)	1.3	1.4	1.6	0.7	1.7
L-T debt	102,047	98,081	99,013	39,028	92,127	Interest coverage (x)	2.7	2.7	2.8	2.5	2.7
Other liabilities	6,034	5,266	5,035	58,687	5,059	Interest rate	4.6	4.9	4.7	5.9	5.6
Minority interest	14,812	14,637	15,350	15,585	15,830	Effective tax rate	4.6	8.9	22.9	(3.0)	9.7
Shareholders' equity	38,894	38,498	35,850	36,086	36,167	ROA	1.1	1.4	1.8	0.5	1.3
Working capital	3,156	2,384	6,632	8,166	5,558	ROE	5.1	6.3	8.4	2.3	6.6
Total debt	111,714	110,782	111,060	62,130	116,139						
Net debt	70,900	73,288	81,326	34,661	85,944						

Sources: Company data, Thanachart estimates

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