

**BCPG Pcl (BCPG TB) - BUY**

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News Update

**Partial divestment of US gas power assets**

- **BCPG will divest half of its US power market exposure**
- **This follows 'drag-along' rights exercised by its partner**
- **Final price yet declared, but the deal is expected within 2026**
- **We estimate forgone Bt0.6bn earnings after divestment**

BCPG disclosed to the SET yesterday that, following the exercise of drag-along rights by its co-investor, it will divest its 25% equity stake in two gas-fired power projects in the US, Liberty (848MW installed capacity) and Patriot (857MW), both located in Pennsylvania and operating in the PJM market. The combined divested capacity totals 426MW in equity terms, vs. its current 857MW total holding in US gas power assets. The transaction timeline and final selling price have yet to be disclosed, but BCPG expects the deal to close within 2026.

- Post-divestment, BCPG's US power market exposure will halve to 431MW of equity capacity (from 857MW), comprising 341MW from Carroll County Energy (48.7% stake in 700MW installed capacity) and 90MW from South Field Energy (7.6% stake in 1.18GW installed capacity). These two assets remain fully exposed to the current upcycle of capacity payment (CP) rates and electricity demand in the PJM market.
- We expect a sizable gain from this divestment as the projects are in a strong upcycle. However, we await further details on the final selling price and timeline before quantifying the impact. We note that BCPG acquired these two projects for US\$260m (US\$0.61m/MW) in 2023, when the PJM CP rate was only US\$30-50/MW-day, vs. US\$333/MW-day at the latest auction.
- The two divested projects contribute approximately Bt0.6bn to our current 2027F earnings forecast of Bt2.5bn for BCPG. Assuming full-year impact in 2027F, this implies an earnings trajectory from Bt2.1bn in 2026F slightly down to Bt1.9bn in 2027F, before any reinvestment contributions.
- We maintain our bullish view on BCPG as a major beneficiary among Thai utility stocks of the multi-year upcycle in the US power market. That said, we need to revisit our DCF-derived SOTP-based TP of Bt10.5/share (2026F base year) to reflect the divestment gain and BCPG's reinvestment plan, which would partially offset the foregone earnings.

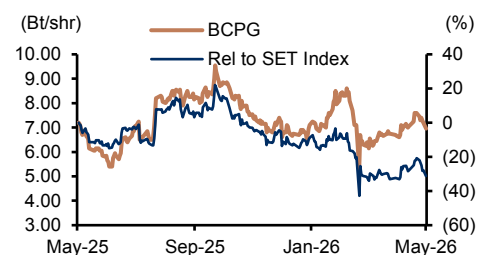
**Key Valuations**

Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Revenue	3,555	4,749	6,023	7,429
Net profit	855	2,085	2,529	2,453
Norm net profit	1,773	2,085	2,529	2,453
Norm EPS (Bt)	0.6	0.7	0.9	0.8
Norm EPS gr (%)	58.7	17.6	21.3	(3.0)
Norm PE (x)	11.3	9.6	8.0	8.2
EV/EBITDA (x)	17.3	19.5	15.7	12.2
P/BV (x)	0.7	0.6	0.6	0.6
Div. yield (%)	5.0	4.3	4.3	4.3
ROE (%)	6.0	6.9	7.7	7.1
Net D/E (%)	71.5	107.9	124.4	130.5

Source: ttb wealth estimates

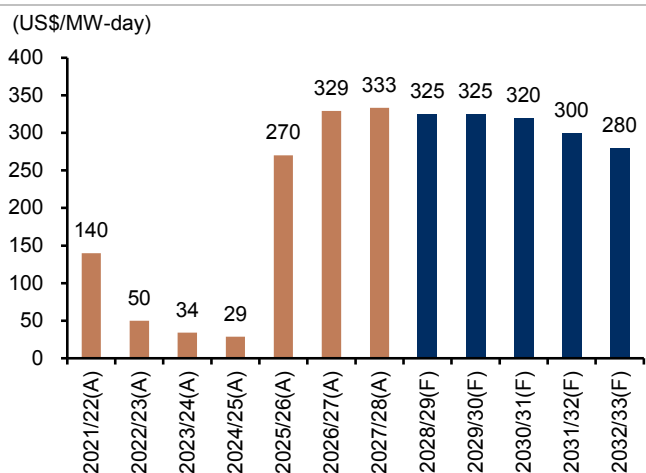
**Stock Data**

Closing price (Bt)	6.95
Target price (Bt)	10.50
Market cap (US\$ m)	638
Avg daily turnover (US\$ m)	2.6
12M H/L price (Bt)	9.55/5.30

**Price Performance**

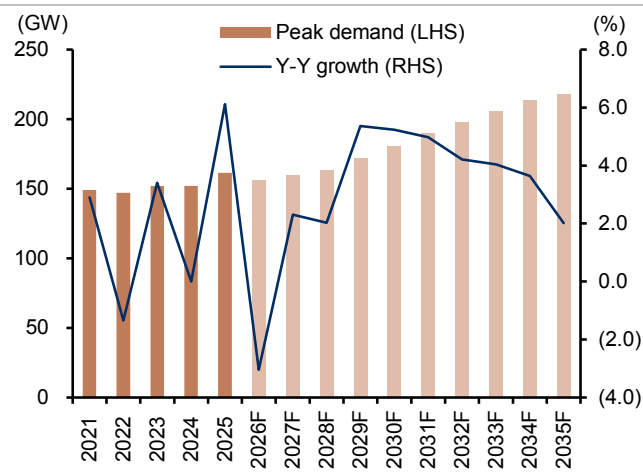
Source: Bloomberg

**Ex 1: PJM's CP Rate Is In An Upcycle ...**



Sources: PJM, Company data, ttb wealth estimates

**Ex 2: ... Driven By Growing AI Power Demand**



Sources: PJM, Company data, ttb wealth estimates

**Ex 3: BCPG's Current US Power Asset Portfolio**

Project	Installed capacity	Stake (%)	Equity capacity	Acquisition costs		Acquisition date
	(MW)		(MW)	(US\$ m)	(Bt m)	
Hamilton Liberty	848.0	25.0	212.0	129.3	4,433	July 2023
Hamilton Patriot	857.0	25.0	214.3	130.7	4,480	July 2023
Carroll County Energy	700.0	48.7	340.9	191.4	6,634	October 2023
South Field Energy	1,182.0	7.6	89.8	68.6	2,370	February 2023

Sources: Company data, ttb wealth estimates

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