

BEC World Pcl (BEC TB) - U.R., Price Bt1.83**Results Comment**

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

1Q26 profit miss

- 1Q26 normalized profit was Bt27m (-30% y-y, -73% q-q), missing expectations. 3M26 earnings accounted for only 16% of our full-year forecast.
- Revenue declined to Bt839m (-16% y-y, -13% q-q), pressured by softer advertising income (72% of total revenue, -20% y-y, -12% q-q) and copyright & other service income (26% of total revenue, -3% y-y, -15% q-q). Top-line momentum remains weak.
- Operating margin was 6.4% in 1Q26, down from 9.4% in 4Q25, mainly due to negative operating leverage from weaker revenue. However, margin was still higher than 1Q25's 5.3%, supported by cost restructuring implemented since late 2024.
- Tax expense jumped to Bt29m in 1Q26 (+123% y-y, +86% q-q) despite only a modest change in pre-tax profit, as BEC suspended recognition of deferred tax assets at certain subsidiaries due to uncertainty over future utilization.
- Despite the benefit from cost control, profitability remains highly sensitive to revenue recovery. With limited visibility on advertising demand, we see rising downside risk to our forecasts. We place our recommendation Under Review (U.R.).

Income Statement						Income Statement					
(consolidated)						3M as					
Yr-end Dec (Bt m)	1Q25	2Q25	3Q25	4Q25	1Q26	(Bt m)	q-q%	y-y%	% 2026F	2026F	2027F
Revenue	994	1,031	984	970	839	Revenue	(13)	(16)	24	3,476	3,250
Gross profit	192	176	182	244	173	Gross profit	(29)	(10)	23	735	676
SG&A	139	141	125	153	119	SG&A	(22)	(14)	21	570	567
Operating profit	53	35	57	91	53	Operating profit	(41)	1	32	165	109
EBITDA	381	392	417	332	309	EBITDA	(7)	(19)	25	1,248	1,075
Other income	16	14	10	9	9	Other income	5	(42)	14	63	63
Other expense	0	0	0	0	0	Other expense					
Interest expense	26	21	15	15	14	Interest expense	(3)	(46)	32	45	23
Profit before tax	43	27	53	85	48	Profit before tax	(43)	13	26	184	149
Income tax	12	10	21	28	29	Income tax	5	153	79	37	30
Equity & invest. income	7	(0)	(2)	41	7	Equity & invest. income	(82)	7	37	20	20
Minority interests	0	0	(0)	(0)	(0)	Minority interests					
Extraordinary items	5	4	7	6	4	Extraordinary items	(38)	(20)	na	0	0
Net profit	43	21	37	105	31	Net profit	(71)	(29)	18	167	139
Normalized profit	38	17	30	99	27	Normalized profit	(73)	(30)	16	167	139
EPS (Bt)	0.02	0.01	0.02	0.05	0.02	EPS (Bt)	(71)	(29)	18	0.08	0.07
Normalized EPS (Bt)	0.02	0.01	0.01	0.05	0.01	Normalized EPS (Bt)	(73)	(30)	16	0.08	0.07
Balance Sheet						Financial Ratios					
(consolidated)						(%)					
Yr-end Dec (Bt m)	1Q25	2Q25	3Q25	4Q25	1Q26		1Q25	2Q25	3Q25	4Q25	1Q26
Cash & ST investment	4,769	3,753	3,916	4,253	4,571	Sales growth	1.0	(7.1)	(7.9)	(10.9)	(15.6)
A/C receivable	449	494	503	436	420	Operating profit growth	204.0	(62.9)	(11.5)	4.4	1.2
Inventory	0	0	0	0	0	EBITDA growth	1.0	2.1	(18.8)	(20.5)	(18.9)
Other current assets	53	83	113	158	44	Norm profit growth	122.4	(76.6)	(36.7)	(45.8)	(29.8)
Investment	0	0	0	0	0	Norm EPS growth	122.4	(76.6)	(36.7)	(45.8)	(29.8)
Fixed assets	230	215	248	180	173	Gross margin	19.3	17.0	18.5	25.1	20.6
Other assets	3,760	3,566	3,229	3,031	2,861	Operating margin	5.3	3.4	5.8	9.4	6.4
Total assets	9,260	8,110	8,009	8,059	8,069	EBITDA margin	38.3	38.0	42.3	34.2	36.8
S-T debt	1,245	0	0	0	0	Norm net margin	3.8	1.6	3.0	10.2	3.2
A/C payable	502	489	467	448	453	D/E (x)	0.3	0.1	0.1	0.1	0.1
Other current liabilities	220	206	179	204	188	Net D/E (x)	(0.5)	(0.5)	(0.5)	(0.6)	(0.6)
L-T debt	753	753	754	754	754	Interest coverage (x)	14.7	18.5	28.3	22.8	21.8
Other liabilities	424	607	597	517	507	Interest rate	5.2	6.2	7.8	7.7	7.5
Minority interest	0	0	0	0	0	Effective tax rate	27.0	38.3	39.5	32.4	60.1
Shareholders' equity	6,115	6,056	6,013	6,137	6,167	ROA	1.6	0.8	1.5	4.9	1.3
Working capital	(53)	5	35	(12)	(33)	ROE	2.5	1.1	2.0	6.5	1.7
Total debt	1,998	753	754	754	754						
Net debt	(2,770)	(3,000)	(3,163)	(3,499)	(3,817)						

Sources: Company data, ttb wealth estimates

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