SYNOPSIS

FUNDAMENTAL

EGCO

Neutral

3Q25 normal profit falls qoq, year's low

Current Price (B)	110.00
Target Price (B)	130.00
Upside (%)	18.18
Dividend Yield (%)	5.91

Flash Points

EGCO's business plans for the next 1-3 years focus on power sales. EGCO will invest in overseas gas-fired and renewable-energy power plants, especially in the US and Indonesia. For projects in Thailand, EGCO is waiting for clarity about government policies. It will engage in clean energy power plants and other projects relevant to PDP plans.

Important projects are as scheduled. QPL plant resumed operation on September 1 (after maintenance shutdown), and new power sales agreement (PSA) started on October 26.

2026 profit growth will be driven by projects in the US. Electricity demand in the US is increasing. EGCO has invested in Pinnacle II and increased shareholding in Linden TopCo from 28% to 38%, so gains from these projects should be booked for a full year in 2026.

Impact Insight

2025 performance is still in line with our projection. We maintain 2025 normalized profit forecast at B5.7bn (falling 44.2%yoy). For QPL plant in the Philippines, original PSA ended, and new PSA began with lower power selling price, while maintenance cost was high. Paju plant in South Korea is affected by lower power selling price.

4Q25 normal profit is expected to rebound qoq. 4Q is a high season for Paju and Yunlin projects, and QPL will resume operation under the new PSA. Performance of XPCL and IPP in Thailand may weaken though. Meanwhile, EGCO may recognize impairment loss from CWP project (B400-500m) and TPN project (slightly higher than expected), so net profit may fall.

Execution

2026 fair value is B130. Normal profit already passed the year's low in 3Q25. Then, 4Q25 profit is expected to grow qoq. We reiterate Neutral for consistent dividend payment; average dividend yield is 5-6%p.a.

Technical Chart

Price Trend: Sideways Down

Support: 106.00

Resist : 116.00

Source: ASPS Research

Consensus Analysis

EPS (B)	ASPS	IAA Cons	% diff
2026F	10.84	14.59	-26%
2027F	14.71	15.00	-2%

Source: ASPS Research

Global Peers

Company	REC./BB Rating	PBV 2025F	PBV 2026F	PER 2025F	PER 2026F
CHINA					
CHINA YANGTZE-A	4.79	3.1	2.9	20.1	19.0
HUANENG POWER-H	4.41	0.8	0.8	6.8	6.6
DATANG INTL PO-H	5.00	0.5	0.5	6.5	6.0
HONGKONG					
CHINA POWER INTE	4.53	0.8	0.8	10.3	8.6
CHINA RES POWER	4.32	0.9	0.8	6.8	6.3
CLP HOLDINGS	3.85	1.6	1.5	15.4	14.6
KOREA					
KOREA ELEC POWER	4.64	0.7	0.5	3.6	3.1
JAPAN					
ELECTRIC POWER D	3.00	0.4	0.4	5.5	7.8
CHUBU ELEC POWER	4.33	0.6	0.6	8.8	9.8
CHUGOKU ELEC PWR	3.50	0.5	0.4	4.7	6.1
MALAYSIA					
TENAGA NASIONAL	4.65	1.3	1.2	17.2	15.9
PETRONAS GAS BHD	3.44	2.6	2.5	19.8	19.0
INDIA					
POWER GRID CORP	3.79	2.5	2.4	16.0	15.0
NTPC LTD	4.62	1.7	1.5	13.3	12.4
NHPC LTD	3.38	1.9	1.8	18.6	14.1
PHILIPPINES					
FIRST GEN CORPOR	4.20	0.3	0.3	3.0	2.6
ABOITIZ POWER	4.53	1.3	1.2	9.4	8.8
THAILAND					
RATCHABURI ELEC	Neutral	0.6	0.6	9.5	9.0
ELEC GENERATING	Underperform	0.6	0.6	9.2	8.3
GLOBAL POWER SYNERGY	Neutral	0.9	0.8	21.5	18.9
GULF ENERGY	Outperform	1.4	1.4	7.4	20.1
CK POWER	Neutral	0.6	0.6	12.1	11.9
BANPU POWER	Neutral	0.7	0.7	11.0	11.1
B.GRIMM POWER	Neutral	0.7	0.7	20.5	16.6
		1.1	**1.1**	**11.5**	**11.3**

Source: Bloomberg

Key Financial Forecast

Ending Dec 31	2023	2024	2025F	2026F	2027F
Net Profit	-8,384	5,411	5,747	7,794	8,153
Normalized Profit	9,340	10,302	5,747	7,794	8,153
EPS (B)	-15.82	10.21	10.84	14.71	15.38
PER (x)	-6.95	10.77	10.14	7.48	7.15
DPS (B)	6.50	6.50	6.50	6.50	6.50
Dividend Yield (%)	5.91	5.91	5.91	5.91	5.91
BV (B)	199.30	198.25	214.54	226.21	235.19
EBITDA(x)	(1,145.1)	8.6	8.9	8.2	8.0
ROE (%)	-7.4	5.2	5.3	6.7	6.7

Source: ASPS Research

ESG Assessment

SET ESG Ratings	AA
CG Score	Excellent
Anti-corruption Certification	yes

Source: SET

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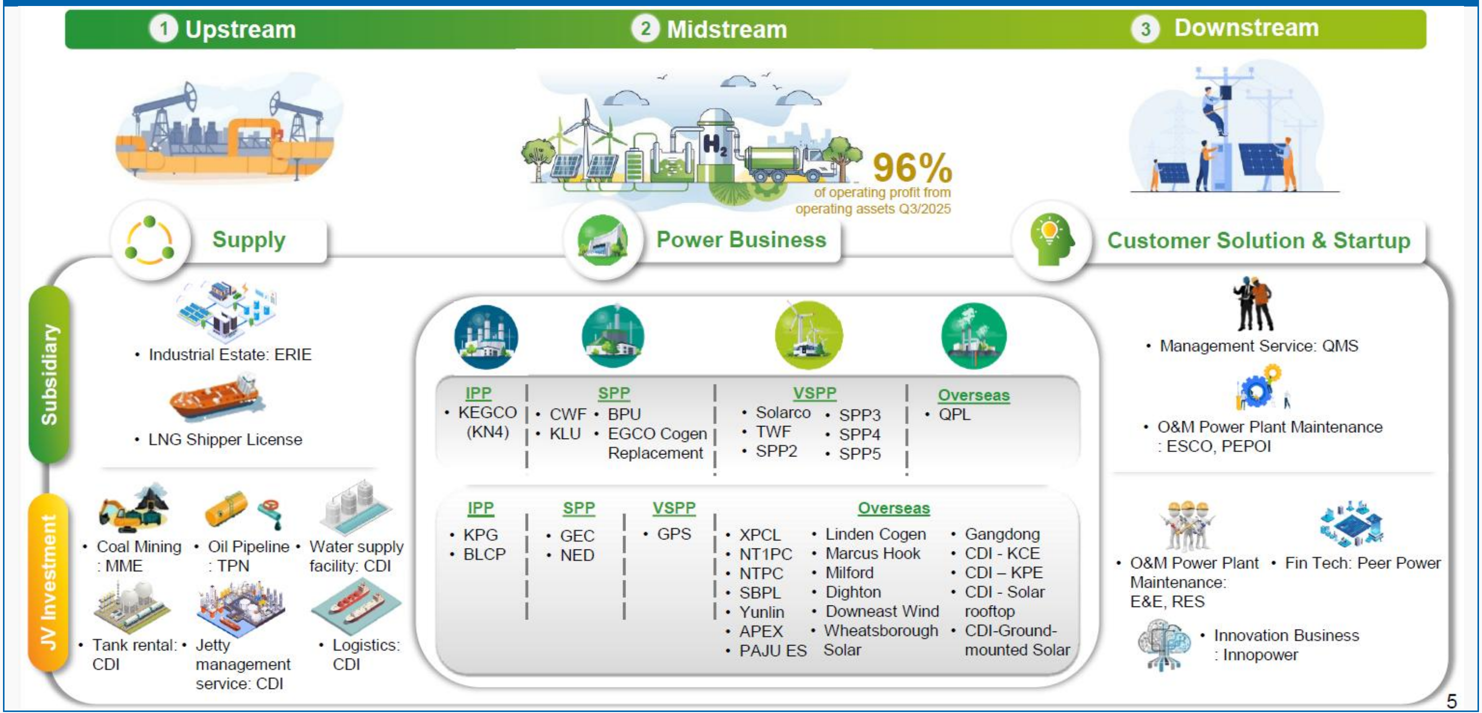
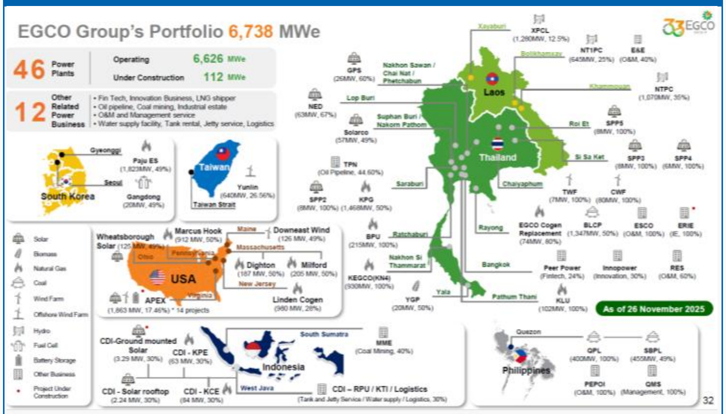
EGCO Business Overview



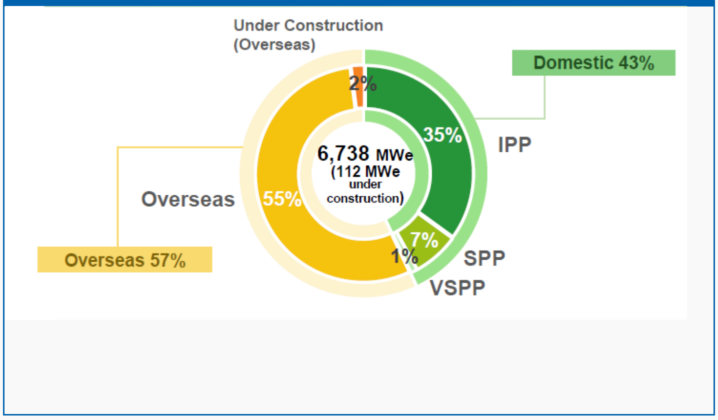
Source: EGCO

EGCO's Portfolio



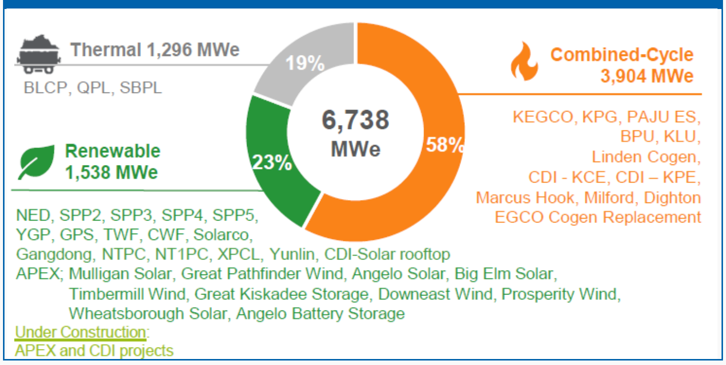
Source: EGCO

EGCO Capacity



Source: EGCO

Power Business by Type



Source: EGCO

Key Risk

1) Power plants may fail to produce sufficient amount of power and steam to fulfill agreements made with customers due to unexpected circumstances, e.g. fire, explosion, earthquake, and equipment breakdowns
2) Power plants may undergo planned shutdown.

Source: ASPS Research

2025-2027 Earnings Forecast

Statement of Income (Million B)

At 31 December	2024	2025F	2026F	2027F
Sales	40,317	35,625	33,843	33,617
Cost of sales	31,609	29,831	28,454	28,240
Gross profit	8,707	5,794	5,389	5,377
SG&A	3,383	2,229	2,169	2,133
Interest expenses	7,056	3,846	3,468	3,066
Other income	3,090	340	338	300
Shared profit from associates	8,473	6,444	8,713	8,723
Earning before taxes	20,716	14,196	15,738	15,333
Income taxes	1,183	715	968	1,012
Normalized profit	10,302	5,747	7,794	8,153
Fx gain/loss	(4,891)	-	-	-
Net profit	5,411	5,747	7,794	8,153
EPS	10.21	10.84	14.71	15.38
Sales growth	-18.8%	-11.6%	-5.0%	-0.7%
Net profit growth	-164.5%	6.2%	35.6%	4.6%
Gross profit margin	21.6%	16.3%	15.9%	16.0%
Net profit margin	13.4%	16.1%	23.0%	24.3%

Quarterly Statement of Income (Million B)

	4Q24	1Q25	2Q25	3Q25
Sales	9,594	9,350	9,890	5,471
Cost of sales	7,069	7,169	8,290	5,518
Gross profit	2,525	2,181	1,601	(48)
SG&A	864	623	721	594
Interest expenses	4,167	1,284	(375)	1,247
Other income	933	3,487	826	775
Earning before taxes	(2,432)	3,909	29	(1,479)
Income taxes	278	1,088	133	(71)
Normalized profit	(5,588)	2,674	1,948	(1,169)
Fx gain/loss	2,878	148	(2,051)	(239)
Minority interest	(3)	(0)	5	(3)
Net profit	(106)	3,577	2,157	(656)
Sales growth (qoq)	14.6%	-2.8%	-17.7%	-41.7%
Net profit growth (qoq)	n.m.	n.m.	n.m.	n.m.
Gross profit margin	26.3%	23.3%	16.2%	-0.9%
Net profit margin	-1.1%	38.3%	21.8%	-12.0%

Financial Ratio

At 31 December	2024	2025F	2026F	2027F
Current ratio (x)	2.40	10.01	7.33	6.12
Receivable Turnover (x)	50.87	50.87	50.87	50.87
Payable Turnover (x)	14.93	14.93	14.93	12.00
Debt to Equity	1.30	1.18	1.16	1.08
Net gearing	1.16	0.85	0.78	0.70
Return on Asset	2.23	2.35	3.09	3.16
Return on Equity	5.17	5.29	6.72	6.71

Statement of Cash Flows (Million B)

At 31 December	2023	2024	2025F	2026F	2027F
Cash flows from operating activities					
Net profit	(7,742)	6,605	5,747	7,794	8,153
Adjustment:					
Depreciation and amortisation	3,040	3,121	3,860	3,068	2,693
Unrealized Fx gain/loss	152	1,431	-	-	-
Others	9,157	2,716	-	-	-
Increase/decrease from operation	1,018	249	(6,695)	(4,137)	3,421
Net cash flows from operating activities	10,284	8,347	122	6,486	14,267
Cash flows from investing activities					
Increase/decrease from short-term investment	2,107	2,033	(25)	(20)	(125)
Increase/decrease from related investment	(5,658)	8,056	-	-	(1,804)
Increase/decrease from fixed assets	(1,259)	(675)	280	278	(2,000)
Net cash flows from investing activities	(16,797)	4,555	3,543	3,257	(4,708)
Cash flows from financing activities					
Increase/decrease from loans	5,771	3,351	(2,144)	(3,262)	(5,877)
Dividend paid	(180)	(3,453)	(4,216)	(3,320)	(3,422)
Net cash flows from financing activities	(2,283)	(5,997)	(10,980)	(12,121)	(8,815)
Increase/decrease in net cash	(8,795)	6,906	(7,315)	(2,378)	744
End-year cash flow	28,862	35,438	27,793	25,084	25,828

Statement of Financial Position (Million B)

At 31 December	2023	2024	2025F	2026F	2027F
Cash and cash equivalents	28,862	35,438	27,793	25,084	25,828
Accounts receivable	7,548	6,829	7,118	7,419	5,113
Other current assets	18,299	18,039	20,946	21,880	22,123
Net PP&E	46,936	44,635	68,654	67,124	66,431
Other assets	141,587	136,123	122,577	136,564	139,161
Total assets	243,233	241,063	247,087	258,070	258,655
Account payables	4,115	2,825	2,966	3,114	3,691
Other current liabilities	27,258	20,048	22,140	2,465	3,727
Short-term liabilities	31,373	22,873	25,106	5,579	7,418
Long-term liabilities	99,472	96,083	91,279	86,715	80,830
Total liabilities	138,007	136,422	133,866	138,704	134,558
Paid-up share capital	5,265	5,265	5,265	5,265	5,265
Premium on share capital	8,601	8,601	8,601	8,601	8,601
Retained earning	90,254	92,244	96,970	102,836	107,567
Shareholders' equity	105,226	104,640	113,221	119,367	124,098
Total liabilities and shareholders' equity	243,233	241,063	247,087	258,070	258,655

Source: ASPS Research