Electricity Generating Company (EGCO TB)

3Q26: Strong Recovery, But Limited Upside

Highlights

- EGCO's 3Q26 net profit surged to Bt5,995m (+804% qoq), including a Bt1,667m gain from the disposal of BPU and KLU investments. Core operating profit recovered to Bt1,620m (+92% yoy), driven by stronger contributions from Paju, Linden and hydropower assets.
- We expect operating earnings to stabilise in 4Q26, while additional US investments, Linden and Astoria Energy II, could support 2027 growth.
- Maintain HOLD; target price: Bt135.00.

3Q26 Results

Year to 31 Dec (Btm)	3Q26	3Q25	2Q25	yoy %	qoq %	9M26	9M25	Yoy %
Net turnover	9,827	6,928	9,670	42	2	29,006	29,126	(0)
Equity income	2,361	2,342	1,625	1	45	5,505	6,739	(18)
Forex gain/(loss)	605	(735)	395	N/A	53	1,209	(368)	N/A
Net profit	**5,995**	**(656)**	**663**	**Turnaround**	**804**	**7,533**	**5,078**	**48**
Core profit	**1,620**	**844**	**46**	**92**	**3,422**	**2,636**	**4,348**	**Turnaround**
EPS	**11.39**	**(1.25)**	**1.26**	**Turnaround**	**804**	**14.31**	**9.65**	**48**

Source: Electricity Generating Company, UOB Kay Hian

Analysis

- **Strong earnings recovery as expected.** Electricity Generating Company (EGCO) reported 3Q26 net profit of Bt5,995m (+804% qoq and turned from a loss of Bt656m in 3Q25), supported by a Bt1,667m gain from the disposal of its investments in BPU and KLU. Core operating profit rebounded to Bt1.6b (+92% yoy, +3,422% qoq), driven by improved power plant operations. Core profit was in line with our expectation and brought its 9M26 core profit to Bt2.6b, -39% yoy, accounting for 67% of our 2026 forecast.
- **Paju led the recovery.** Paju's operating profit rose 60% yoy and reversed from a loss of Bt132m to a profit of Bt544m, benefitting from higher electricity tariffs and the completion of scheduled maintenance. NT1PC, Linden and domestic IPPs also contributed to the qoq improvement, while Apex recorded lower project sales. The Yunlin wind farm in Taiwan posted a loss of Bt400m (vs a loss of Bt671m in 2Q26) from insurance claims.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	40,317.0	32,085.7	34,755.8	26,970.0	27,220.0
EBITDA	11,041.9	4,486.1	6,100.4	7,227.0	7,939.2
Operating profit	7,887.2	1,960.7	3,875.0	4,382.0	5,093.2
Net profit (rep./act.)	5,411.5	4,727.4	8,848.7	5,696.9	6,264.2
Net profit (adj.)	9,283.5	4,439.4	3,950.7	5,696.9	6,264.2
EPS	17.6	8.4	7.5	10.8	11.9
PE (x)	7.5	15.6	17.6	12.2	11.1
P/B (x)	0.7	0.7	0.7	0.6	0.6
EV/EBITDA (x)	14.0	32.7	25.8	21.8	20.7
Dividend yield (%)	4.9	4.9	4.9	4.9	4.9
Net margin (%)	13.4	14.7	25.5	21.1	23.0
Net debt/(cash) to equity(%)	81.6	77.2	83.3	81.5	85.8
Interest cover (x)	1.6	1.5	1.4	1.5	1.5
ROE (%)	5.3	4.7	8.6	5.5	6.0
Consensus net profit	n.a	n.a	4,083.4	5,964.1	6,447.9
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	1.0

Source: Electricity Generating Company, Bloomberg, UOB Kay Hian

Analyst(s)

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HOLD (Maintained)

Share Price	Bt132.50
Target Price	Bt135.00
Upside	2.3%

Stock Data

Sector	Utilities
Bloomberg ticker	EGCO TB
Shares issued (m)	526.5
Market cap (Btm)	69,756.6
Market cap (US$m)	2,057.9
3-mth avg daily t'over (US$m)	4.4

Price Performance (%)

52-week high/low				Bt135.5/Bt107.5
1mth	3mth	6mth	1yr	YTD
6.4	(0.4)	13.7	8.6	16.2

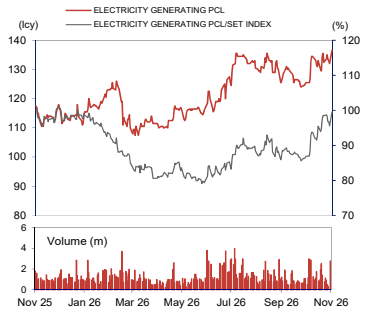
Major Shareholders (%)

EGAT	25.41
TEPDIA Generating B.V.	22.42

Balance Sheet Metrics

FY26 NAV/Share (Bt)	199.9
FY26 Net Debt/Share (Bt)	166.5

Price Chart



Source: Bloomberg

Company Description

EGCO is the first independent power producer in Thailand to be established in May 92, through the partial privatisation of the state enterprise, the Electricity Generating Authority of Thailand (EGAT). EGCO now operates 4,260MW power plant in Thailand.

- **Expect earnings stabilisation with potential acquisition upside in 2027.** We expect recurring earnings to improve in 4Q26, supported by Paju's recovery. US investments, including Linden and Astoria Energy II, could provide additional earnings upside in 2027. With healthy net D/E of 1.0x in 3Q26, we expect potential upside from asset acquisitions in 2027.

Valuation/Recommendation

- **Maintained HOLD with a target price of Bt135.00.** Despite the strong 3Q26 recovery, 9M26 core profit declined 39% yoy, highlighting continued pressure on underlying earnings. With only 2.3% upside to our target price, we believe the current valuation offers limited room for re-rating until there is clearer evidence of sustainable earnings improvement.

Earnings Revision/Risk

- We maintain our core profit forecast of Bt3.9b, but revised up our 2026 net profit forecast to Bt8.8b, reflecting a one-time gain in 3Q26.

Share Price Catalyst

- Yunlin offshore wind turnaround.
- Earnings contribution/asset recycling from new investments.

Environment, Social, Governance (ESG) Updates

Environmental

- EGCO has goals to become carbon neutral by 2040 and to curb carbon emission intensity by 10% by 2030. The company plans to increase electricity generated from renewable energy to 30% by 2030.

Social

- EGCO is a prominent Thai company committed to sustainability, with a strong focus on communities and the environment. The company aims to create a positive impact and foster mutual growth between its power plants, the environment and local communities. EGCO undertakes various initiatives to enhance the quality of life in surrounding communities, including special projects, educational materials on energy and environmental conservation, and open house events at its power plant

Governance

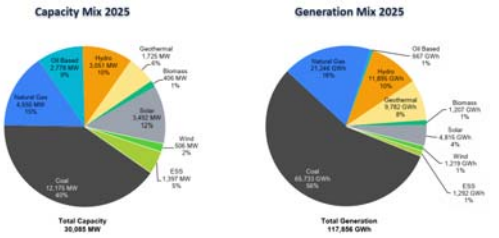
- EGCO received an “Excellent - 5 Star” CG score by the Thai Institute of Directors

3Q26 Equity Income

	3Q26 (Btm)	3Q25 (Btm)	2Q26 (Btm)	yoy %Chg	qoq %Chg
BLCP	59	186	246	(68)	(76)
KPG	311	263	293	18	6
NED	11	12	17	(8)	(35)
NTPC	271	379	536	(28)	(49)
Paju	544	340	(132)	60	(512)
SBPL	384	308	236	25	63
XPCL	231	272	108	(15)	114
Liden	302	311	131	(3)	131
yunlijn	(400)	-378	(671)	6	(40)
Apex	(172)	20	362	(960)	(148)
NT1PC	370	282	71	31	421
Compass	216	280	147	(23)	47
CDI	99	125	3	(21)	3,200
MME	80	-41	3	(295)	2,567

Source: UOB Kay Hian

Philippines Electricity Capacity



Source: UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	32,086	34,756	26,970	27,220
EBITDA	4,486	6,100	7,227	7,939
Deprec. & amort.	2,525	2,225	2,845	2,846
EBIT	1,961	3,875	4,382	5,093
Associate contributions	4,961	6,683	7,564	7,865
Net interest income/(expense)	(2,917)	(4,300)	(4,800)	(5,200)
Pre-tax profit	4,005	6,258	7,146	7,758
Tax	(1,454)	939	(1,429)	(1,474)
Minorities	2	(15)	(20)	(20)
Net profit	4,727	8,849	5,697	6,264
Net profit (adj.)	4,439	3,951	5,697	6,264

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	37,473	35,248	32,403	29,557
Other LT assets	134,363	145,896	148,941	160,427
Cash/ST investment	30,482	21,218	22,618	16,860
Other current assets	19,389	24,453	26,889	28,465
Total assets	221,707	226,815	230,850	235,309
ST debt	24,109	25,453	26,797	28,140
Other current liabilities	6,624	5,258	5,358	5,575
LT debt	83,401	83,401	83,401	83,401
Other LT liabilities	7,527	7,215	7,512	7,548
Shareholders' equity	99,793	105,219	107,494	110,336
Minority interest	253	268	288	308
Total liabilities & equity	221,707	226,815	230,850	235,309

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	8,093	(6,783)	5,051	(1,768)
Pre-tax profit	4,005	6,258	7,146	7,758
Tax	(1,454)	939	(1,429)	(1,474)
Deprec. & amort.	2,525	2,225	2,845	2,846
Associates	2	(15)	(20)	(20)
Working capital changes	3,818	(6,742)	(2,039)	(1,323)
Other operating cashflows	(804)	(9,448)	(1,452)	(9,555)
Investing	7,200	(2,085)	(1,593)	(1,931)
Capex (growth)	4,636	0	0	0
Investments	817	(1,524)	(1,484)	(2,131)
Others	1,747	(561)	(109)	200
Financing	(22,423)	(2,063)	(2,058)	(2,059)
Dividend payments	(3,422)	(3,422)	(3,422)	(3,422)
Loan repayment	(18,987)	1,344	1,344	1,343
Others/interest paid	(14)	15	20	20
Net cash inflow (outflow)	(7,130)	(10,931)	1,400	(5,758)
Beginning cash & cash equivalent	35,438	30,482	21,218	22,618
Ending cash & cash equivalent	28,308	19,551	22,618	16,860

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	14.0	17.6	26.8	29.2
Pre-tax margin	12.5	18.0	26.5	28.5
Net margin	14.7	25.5	21.1	23.0
ROA	2.2	4.1	2.6	2.8
ROE	4.7	8.6	5.5	6.0
Growth				
Turnover	(9.7)	(2.2)	(24.1)	(23.4)
EBITDA	(53.1)	(36.2)	(24.4)	(17.0)
Pre-tax profit	(49.2)	(20.6)	(9.3)	(1.5)
Net profit	(77.6)	(58.0)	(73.0)	(70.3)
Net profit (adj.)	(52.2)	(11.0)	44.2	10.0
EPS	(51.7)	(57.0)	(38.0)	(31.9)
Leverage				
Debt to total capital	107.5	103.2	102.2	100.8
Debt to equity	107.7	103.4	102.5	101.1
Net debt/(cash) to equity	77.2	83.3	81.5	85.8
Interest cover	1.5	1.4	1.5	1.5

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