

26 OCTOBER 2021

THAILAND / UTILITIES - CONVENTIONAL

B.GRIMM POWER BGRIM TB

BUY

UNCHANGED

TARGET PRICE	THB58.00
CLOSE	THB41.50
UP/DOWNSIDE	+39.8%
PRIOR TP	THB56.00
CHANGE IN TP	+3.6%
TP vs CONSENSUS	+6.4%

Back on the growth highway

2022-23 should be BGRIM's golden period of growth

We project BGRIM's net profit growth to accelerate in 2022, growing by 37.6% y-y to THB4b in 2022 and 51.2% y-y to THB6b in 2023. We see the key drivers as 1) capacity growth, mainly from five SPPs under SPP replacement PPAs; 2) new committed growth projects; 3) lower gas costs by up to THB1b annually from LNG imports; and 4) potential capacity growth from Vietnam and other countries in Asia thanks to BGRIM's proven track record of project development and operations.

4Q21 net profit rebound is visible

We project BGRIM's net profit growth to accelerate in 4Q21 onward on the back of 1) improving electricity and steam sales volumes to IUs and electricity sales to EGAT; and 2) the potential capacity growth from 4-5 M&A that we expect BGRIM to conclude within 4Q21, including gas-fired power plants and renewable power projects in Thailand and overseas.

Weak 3Q21 net profit should be the bottom

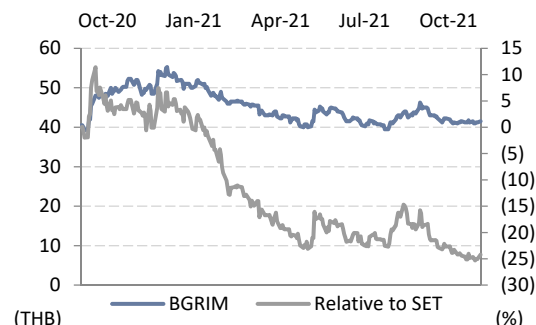
We project a 3Q21 net profit of THB385m, down 62% q-q and 23% y-y. We expect its core net profit to drop to THB705m, down 30% q-q and 5% y-y. Key expectations are 1) a 4% q-q weaker electricity sales volume to EGAT due to the planned shutdowns; 2) a 12.6% q-q higher gas cost to THB269/mmbtu, up from THB239/mmbtu in 2Q21 – the gas price is now on an uptrend to reflect the past 6-month oil price rise; 3) a lower electricity selling price to IUs from THB3.23/kWh to THB3.1/kWh due to the lower fuel tariff; 4) a 2% q-q higher electricity sales volume to IUs due to the additional 20MW demand from new IUs to offset the weaker demand from the existing IUs and the planned shutdowns of the SPPs ABPR4 (27 days) and ABPR5 (24 days); 5) an FX gain of THB0.2b to offset the THB68m higher q-q interest expense booked from ABPIF; and 6) a lower EBITDA margin to 25.9%, down from 30.7% in 2Q21 and 30.4% in 3Q20 due to the higher gas cost and lower sales volumes.

Maintain BUY; TP raised to THB58

We maintain BUY and raise our SoTP-based TP from THB56 to THB58 to reflect our valuation rollover to 2022. After a delay due to the Covid-19 pandemic, we expect BGRIM will announce multiple M&A in 4Q21-1Q22 to add up to 0.5-1.0GW in 2022-23. We think BGRIM stands as the most attractive power play in Thailand given its strong committed capacity growth and most promising capacity growth potential in Vietnam.

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	44,087	49,101	57,471	69,843
Net profit	2,175	2,882	3,966	5,998
EPS (THB)	0.83	1.11	1.52	2.30
vs Consensus (%)	-	(1.9)	13.4	40.0
EBITDA	12,694	13,843	16,618	20,830
Core net profit	2,617	2,882	3,966	5,998
Core EPS (THB)	1.00	1.11	1.52	2.30
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	7.6	10.1	37.6	51.2
Core P/E (x)	41.3	37.5	27.3	18.0
Dividend yield (%)	0.9	2.4	2.4	2.4
EV/EBITDA (x)	14.0	13.5	11.9	9.8
Price/book (x)	3.9	3.7	3.6	3.2
Net debt/Equity (%)	146.6	149.0	145.6	128.1
ROE (%)	9.4	10.2	13.4	18.8



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(1.8)	1.8	1.2
Relative to country (%)	(2.7)	(3.3)	(24.8)
Mkt cap (USD m)	3,269		
3m avg. daily turnover (USD m)	11.9		
Free float (%)	31		
Major shareholder	B. Grimm Power (Singapore) Pte Ltd (34%)		
12m high/low (THB)	56.00/38.75		
Issued shares (m)	2,606.90		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

B.Grimm Power (BGRIM) is one of Thailand's small power producer (SPP) pioneers, providing a reliable source of electricity to industrial users (IUs). It has continued to expand its portfolio, with the number of its SPPs increasing from one in 1998 to 13 at end-2016 and 17 as of 1Q20; while equity capacity has risen from 85MW in 1998 to 974MW in 2016 and 1,996MW in 2019. Its solid operational efficiency and optimisation, as well as in-house development and maintenance services, have made BGRIM a reliable power supplier, and generated solid returns for its shareholders.

With a superior SPP portfolio and solid capabilities in SPP development and operations, BGRIM plans to expand its capacity substantially. The company aims to increase its equity capacity by 65% from 974MW in 2016 to 2,222MW in 2022, and aims to increase its renewable energy and conventional power capacities via SPPs in domestic and overseas markets.

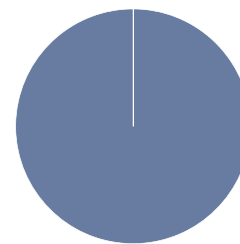
Company profile

BGRIM is a holding company investing in electricity generating businesses of SPPs with major gas-fired and solar farm power assets in Thailand, Laos, and Vietnam.

www.bgrimpower.com

Principal activities (revenue, 2020)

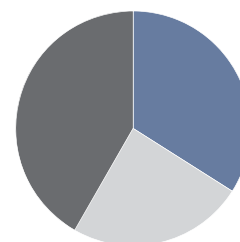
■ Electricity generation - 100.0 %



Source: B.Grimm Power

Major shareholders

■ B. Grimm Power (Singapore) Pte Ltd - 34.0 %
 ■ Mr. Harald Link - 24.3 %
 ■ Others - 41.7 %



Source: B.Grimm Power

Catalysts

Higher utilisation rates of power plants, rising demand for electricity in Thailand and Vietnam, and higher crude oil prices are key potential earnings growth drivers.

Risks to our call

The downside risks to our SoTP-based TP include 1) lower-than-expected demand for electricity in Thailand; 2) a lower crude price; and 3) unplanned shutdowns of its SPPs.

Event calendar

Date	Event
Nov 2021	3Q21 results announcement

Key assumptions

	2021E	2022E	2023E
Utilisation rate (%)	88	92	93
Dispatched power (GWh)	11,132	12,778	11,504
Oil price (USD/bbl)	55	50	50
Average tariff (THB/kWh)	2.76	2.90	3.04
Gas price (THB/mmBtu)	224	217	210

Source: FSSIA estimates

Earnings sensitivity

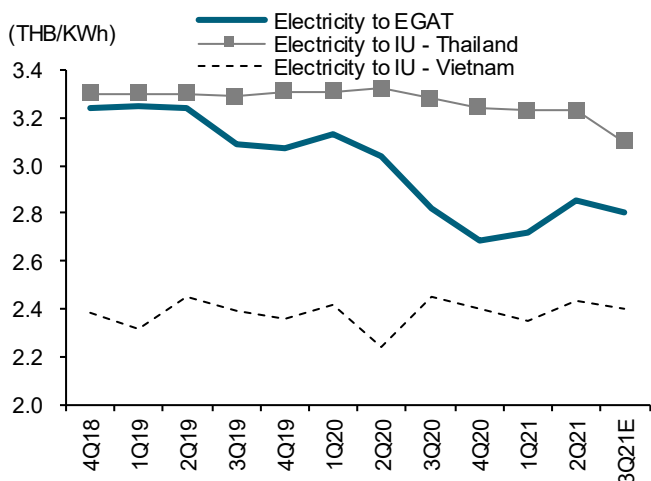
- Ceteris paribus, for every 1% increase in gas price, we estimate 2021 earnings would decline 1.15%, and vice versa.
- Ceteris paribus, for every 1% increase in interest rate, we estimate 2021 earnings would decline 1.2%, and vice versa.

Source: FSSIA estimates

A 3Q21 retreat before a 4Q21 return to strong earnings

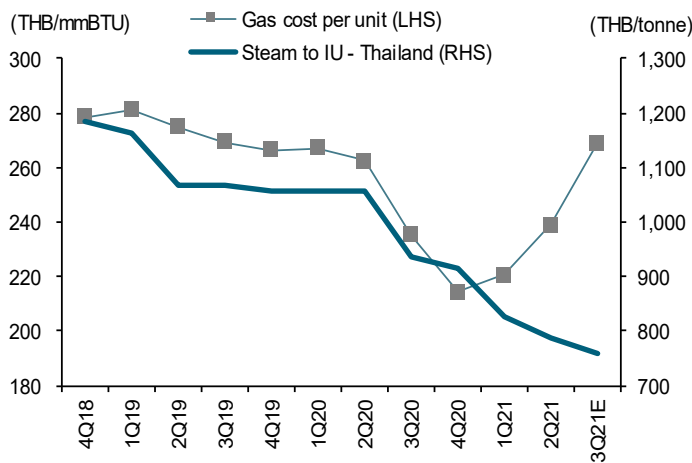
We expect BGRIM's quarterly net profit to weaken in 3Q21 due to the higher gas cost, the impact of the lockdowns in Thailand and Vietnam in Jul-Aug, and the lower sales volumes to the Electricity Generating Authority of Thailand (EGAT) as a result of the planned shutdowns. However, we expect 3Q21 to be the bottom quarter this year and see a strong quarterly net profit growth trajectory starting in 4Q21.

Exhibit 1: Quarterly electricity selling prices to EGAT and IUs in Thailand and Vietnam



Sources: BGRIM; FSSIA estimates

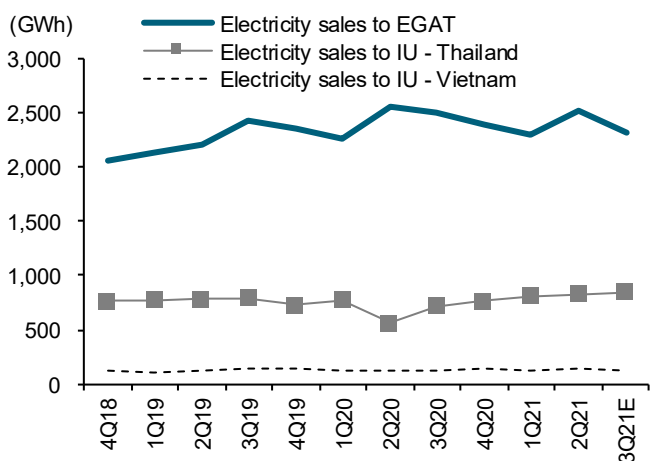
Exhibit 2: Gas cost and steam selling price to IUs in Thailand



Sources: BGRIM; FSSIA estimates

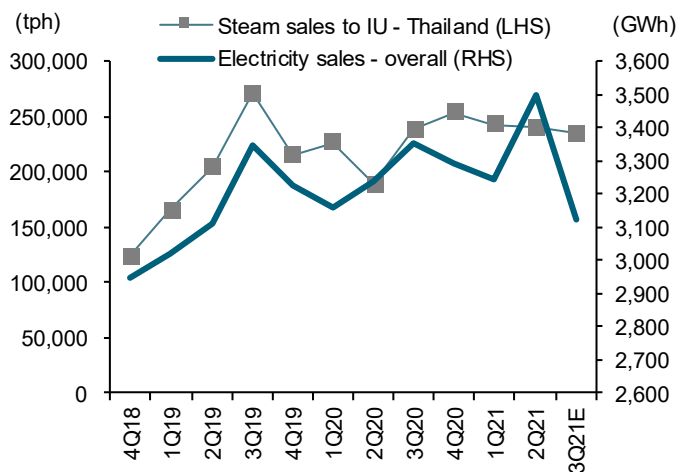
4Q21 net profit drivers. In our view, the key drivers to boost BGRIM's net profit growth in 4Q21 onward include 1) improving electricity and steam sales volumes to industrial users (IUs) and electricity sales to EGAT; and 2) the potential capacity growth from 4-5 M&A that we expect BGRIM to conclude within 4Q21, including gas-fired power plants and renewable power projects in Thailand and overseas.

Exhibit 3: Quarterly electricity sales volumes to EGAT and IUs in Thailand and Vietnam



Sources: BGRIM; FSSIA estimates

Exhibit 4: Quarterly steam and electricity sales volumes



Sources: BGRIM; FSSIA estimates

2022-23 should be BGRIM's golden years

We project BGRIM's net profit growth to accelerate in 2022, growing by 37.6% y-y to THB4b in 2022 and 51.2% y-y to THB6b in 2023. We see the key drivers as:

Five small power producers (SPPs) under new SPP replacement power purchase agreements (PPAs). BGRIM is on track to commence the commercial operation dates (COD) of five SPPs with more lucrative SPP replacement PPAs starting in Jul-22 to Dec-22, which will fully operate in 2023 onward. These five new SPPs will not only add capacity growth but should also significantly enhance BGRIM's gross margin thanks to the marked improvement in the SPPs' energy efficiency. The new power generators have a lower required heating rate of only 7,409mmbtu/kWh; a sharp drop from the 8.3k-8.6k mmbtu/kWh generators used currently.

Exhibit 5: SPPs with SPP replacement PPAs

Project	----- Existing installed capacity -----				Contracted heat rate (mmBTU/kWh)	----- New installed capacity -----				Contracted heat rate (mmBTU/kWh)	SPP replacement PPA COD
	Stake	Power	Steam	Equity capacity		Stake	Power	Steam	Equity capacity		
	(%)	(MW)	(tph)	(MW)		(%)	(MW)	(tph)	(MW)		
BPLC1	100	103	46	103	8,600	100	140	46	140	7,409	Jul-22E
ABP1	51	166	6	85	8,282	51	140	20	71	7,409	Sep-22E
ABP2	15	171	16	26	8,600	51	140	16	71	7,409	Sep-22E
BGPC #1	70	62	24	43.4	8,282	70	140	48	98	7,409	Dec-22E
BGPM #2	70	62	24	43.4	8,282	70	140	48	98	7,409	Dec-22E
Total	61	564	116	301	8,282	68	700	178	479	7,409	

Source: BGRIM

New growth projects, both committed and potential. The committed growth projects in the pipeline include the Hybrid U-Tapao solar farms plus energy storage system (ESS) in 2022-23 and hydropower plants in Laos. The total new growth capacity to be added for BGRIM in 2022-23 is set to be 0.6GW, including the 479MW equity capacity from the five SPPs under SPP replacement PPAs.

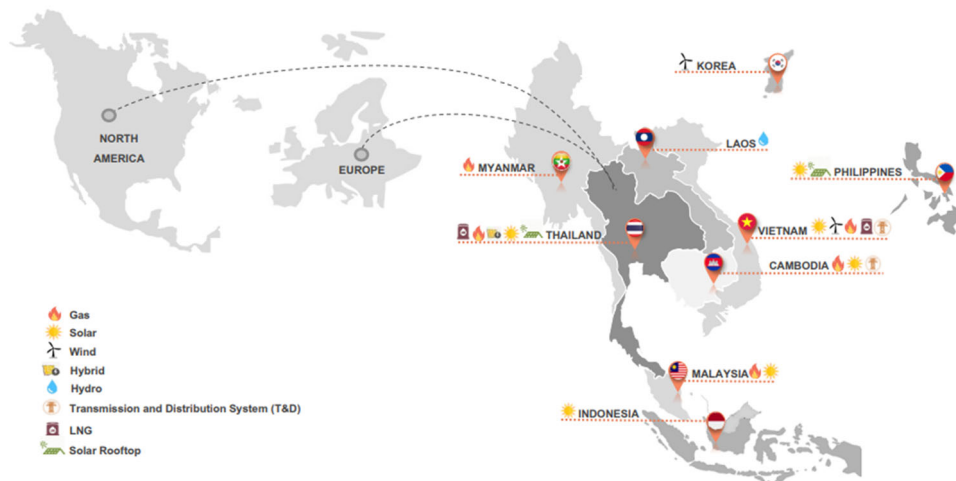
Exhibit 6: New growth projects

	Equity capacity (MW)	Growth (MW)	Growth (%)	Project
2016	974			ABP5, BOWIN
2017	988	14	1	XXHP (SNN, SGD)
2018	1,217	229	23	ABPR3-5 SPPs, WVO solar farm
2019	1,819	602	49	Solar farms in Vietnam, Nam Che, SPP1, ABP1 extension, WTE
2020	1,938	119	7	ATP, Ray solar farm
2021E	1,953	15	1	BOTHONG wind farms, BPAM extension
2022E	2,178	225	12	Hybrid U-Tapao (15MW), BPLC1, ABP1, ABP2, SPP1 SPP replacements, Tadsakoi, Nam Khao 4
2023E	2,549	371	17	BGPAT1, BGPAT2 SPPs, Nam Khao 2, Hybrid U-Tapao (80MW + ESS 50MW)
2024E	2,560	11	0	Nam Khao 3
2025E	2,576	16	1	Nam Khao 1, 5
Total equity capacity	2,576	1,602		
CAGR from 2016-2023		1,575	27.2	
CAGR from 2019-2023		1,332	8.8	
CAGR from 2016-2025		1,602	11.4	

Source: BGRIM

M&A remain highly sanguine in 4Q21. For its potential growth projects, we expect BGRIM to conclude the successful acquisition of up to five projects, including gas-fired power plants and renewable energy projects like solar and wind farms in Thailand, South Korea, Cambodia, Europe, and North America. The more aggressive M&A are in line with BGRIM’s growth strategy to achieve 7.2GW by 2025 and a 10GW capacity by 2030, up from the current 2.9GW.

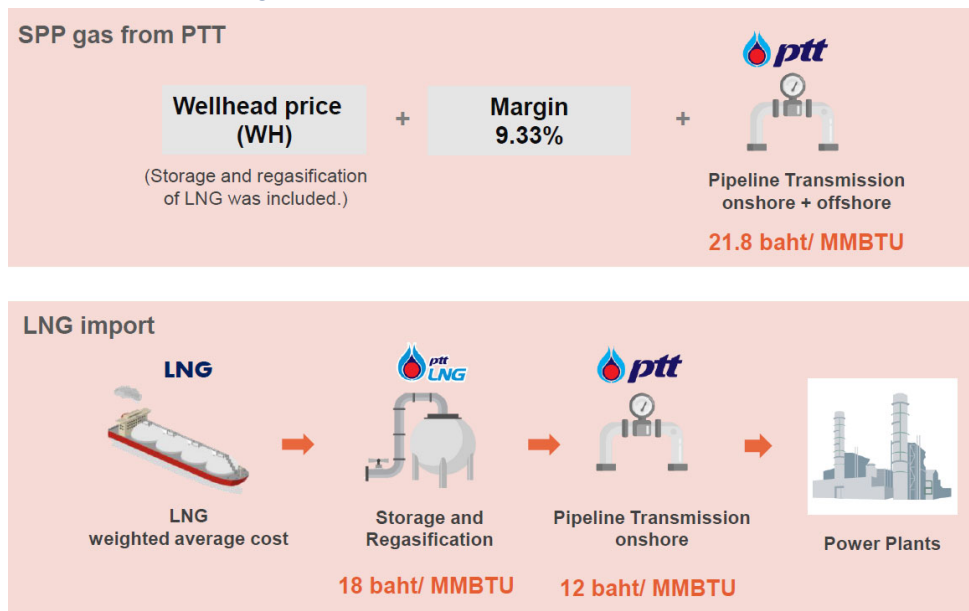
Exhibit 7: Potential growth for BGRIM



Source: BGRIM

Lower gas cost via LNG imports. According to management, BGRIM is committed to start importing LNG of up to 0.65mt in 2022 via long-term contract, which is made possible thanks to its “first mover” status. It entered into a timely long-term agreement for LNG imports to secure a highly competitive price below USD7/mmbtu vs USD8.5/mmbtu (THB269/mmbtu) for the existing gas price paid by BGRIM to PTT (PTT TB, BUY, TP THB60) as a supplier in 3Q21 and the USD20-30/mmbtu global spot LNG price.

Exhibit 8: Thailand’s gas cost structure for SPPs



Source: BGRIM

As a result, we think BGRIM is likely to achieve at least USD1/mmbtu in gas cost savings for its 0.65mtpa LNG import volume. We think BGRIM’s 0.65mtpa LNG import volume will be consumed entirely by its five SPP replacement PPA power plants with a total capacity of 0.7GW. We project THB0.8b-1.2b in additional net profits post-2023 from its LNG imports, and this could add a THB5-7/shr value upside, based on the DCF valuation to our current SoTP-based TP of THB58 for BGRIM.

Expect a weaker 3Q21 due to the higher gas cost

We project a 3Q21 net profit of THB385m, down 62% q-q and 23% y-y. We expect its core net profit to drop to THB705m, down 30% q-q and 5% y-y. Key expectations are:

- A 4% q-q weaker electricity sales volume to EGAT due to the planned shutdowns;
- A 12.6% q-q higher gas cost to THB269/mmbtu, up from THB239/mmbtu in 2Q21 – the gas price is now on an uptrend from its bottom in 1Q21 at THB221/mmbtu to reflect the past 6-month oil price rise;
- A lower electricity selling price to IUs from THB3.23/kWh to THB3.1/kWh due to the lower fuel tariff;
- A 2% q-q higher electricity sales volume to IUs due to the additional 20MW demand from new IUs to offset the weaker demand from the existing IUs, mainly from the impact of the lockdowns and the planned shutdowns of the SPPs ABPR4 (27 days) and ABPR5 (24 days);
- An FX gain of THB0.2b to offset the THB68m higher q-q interest expense booked from Amata B. Grim Power Infrastructure Fund (ABPIF TB, NR);
- A lower EBITDA margin to 25.9%, down from 30.7% in 2Q21 and 30.4% in 3Q20 due to the higher gas cost and lower sales volumes.

Exhibit 9: 3Q21E/9M21E results preview

	3Q20	2Q21	----- 3Q21E-----			9M20	9M21E	Change
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Revenue	11,186	11,475	11,214	(2.3)	0.3	33,652	33,142	(1.5)
Operating costs	(7,790)	(7,951)	(8,308)	4.5	6.7	(23,757)	(23,418)	(1.4)
EBITDA	3,396	3,524	2,906	(17.5)	(14.4)	9,895	9,724	(1.7)
<i>EBITDA margin (%)</i>	<i>30.4</i>	<i>30.7</i>	<i>25.9</i>	<i>nm</i>	<i>nm</i>	<i>29.4</i>	<i>29.3</i>	<i>nm</i>
Depn & amort.	(1,374)	(1,318)	(1,325)	0.6	(3.6)	(4,111)	(3,955)	(3.8)
EBIT	2,022	2,206	1,581	(28.3)	(21.8)	5,784	5,769	(0.3)
Interest expense	(982)	(945)	(1,053)	11.4	7.2	(2,839)	(3,336)	17.5
Interest & invt inc	-	-	-	nm	nm	-	-	nm
Other income	40	45	32	(28.7)	(20.9)	209	104	(50.0)
Associates' contrib	(10)	(9)	20	nm	nm	44	61	39.6
Exceptionals	(152)	302	102	(66.2)	(167.0)	(365)	639	nm
Pretax profit	918	1,598	682	(57.3)	(25.7)	2,833	3,238	14.3
Tax	(59)	(128)	(50)	(60.8)	(15.0)	(133)	(287)	115.6
<i>Tax rate (%)</i>	<i>6.4</i>	<i>8.0</i>	<i>7.3</i>	<i>nm</i>	<i>nm</i>	<i>4.7</i>	<i>8.9</i>	<i>nm</i>
Minority interests	(358)	(449)	(247)	(45.0)	(31.0)	(1,101)	(933)	(15.3)
Net profit	501	1,022	385	(62.3)	(23.1)	1,599	2,018	26.2
Non-recurring	(244)	11	(320)	nm	31.0	(502)	(344)	(31.5)
Core net profit	745	1,011	705	(30.3)	(5.4)	2,101	2,362	12.4
EPS (THB)	0.19	0.39	0.15	(62.3)	(23.1)	0.61	0.77	26.2
Core EPS (THB)	0.29	0.39	0.27	(30.3)	(5.4)	0.81	0.91	12.4

Sources: BGRIM; FSSIA estimates

TP raised to THB58

We maintain BUY and raise our SOTP-based TP from THB56 to THB58 to reflect our valuation rollover to 2022. We think BGRIM's net profit growth outlook remains strong in 2021-23, backed by 1) capacity growth, mainly from new SPPs; 2) lower gas costs by up to THB1b annually from LNG imports; and 3) potential capacity growth from Vietnam and other countries in Asia thanks to BGRIM's proven track record of project development and operations.

After a delay of almost one year due to the tight lockdown to fight the Covid-19 pandemic, we expect the Vietnamese government to eventually announce the country's Power Development Plan 8 within 1Q22, which should trigger share price catalysts for not only BGRIM but also other Thai power companies with potential capacity growth in Vietnam. We think BGRIM stands as the most attractive power play in Thailand given its strong committed capacity growth and most promising capacity growth potential in Vietnam.

Exhibit 10: SoTP valuation

Cost of equity assumptions	(%)	Cost of debt assumptions	(%)
Risk-free rate	2.3	Pretax cost of debt	4.1
Market risk premium	8.0	Marginal tax rate	20.0
Stock beta	0.80		
Cost of equity, Ke	8.7	Net cost of debt, Kd	3.3
Weight applied	30.0	Weight applied	70.0
WACC	4.9		

DCF valuation estimate		Equity Capacity				Comments
		(MW)	(%)	(MW)	(THB/share)	
SPP	Amata Nakorn (ABP1-5)	732	38	277	6.6	WACC 4.9%, Risk free rate 2.3%, Risk premium 8%
	ABP1&2 and BPLC1	420	51	214	10.1	WACC 4.9%, Risk free rate 2.3%, Risk premium 8%
	Amata City (ABPR1-5)	646	58	375	25.0	WACC 4.9%, Risk free rate 2.3%, Risk premium 8%
	Leam Chabang (BPLC1-2)	159	100	159	2.6	WACC 4.9%, Risk free rate 2.3%, Risk premium 8%
	Bangkadi (BIP1-2)	230	74	170	4.3	WACC 4.9%, Risk free rate 2.3%, Risk premium 8%
	SPP1	124	100	124	10.7	WACC 4.9%, Risk free rate 2.3%, Risk premium 8%
	Amata City Bien Hoa	13	31	4	0.2	WACC 4.9%, Risk free rate 2.3%, Risk premium 8%
	Hemraj	130	75	98	5.5	WACC 4.9%, Risk free rate 2.3%, Risk premium 8%
	BGPR1&2	240	60	144	10.1	WACC 4.9%, Risk free rate 2.3%, Risk premium 8%
	Solar Vietnam (Dau Tieng)	420	51	214	3.0	WACC 6%, Risk free rate 5%, Risk premium 7.5%
	Solar Vietnam (Hoa Hoi)	257	80	206	2.9	WACC 6%, Risk free rate 5%, Risk premium 7.5%
	VSPP	Solar Thailand	115	52	60	1.2
Hydropower		133	71	95	1.7	WACC 4.9%, Risk free rate 5%, Risk premium 8%
Wind		16	94	15	0.4	WACC 4.9%, Risk free rate 5%, Risk premium 8%
Solar Cambodia		39	100	15	1.4	WACC 4.9%, Risk free rate 5%, Risk premium 8%
	Net debt				(27.7)	2022E
Residual ordinary equity					58.0	

Sources: BGRIM; FSSIA estimates

Financial Statements

B.Grimm Power

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	44,132	44,087	49,101	57,471	69,843
Cost of goods sold	(31,293)	(29,354)	(33,441)	(38,726)	(46,429)
Gross profit	12,839	14,733	15,660	18,745	23,414
Other operating income	-	-	-	-	-
Operating costs	(1,865)	(2,039)	(1,817)	(2,126)	(2,584)
Operating EBITDA	10,974	12,694	13,843	16,618	20,830
Depreciation	(4,660)	(5,494)	(5,466)	(5,681)	(6,266)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	6,314	7,200	8,378	10,938	14,564
Net financing costs	(2,493)	(3,520)	(3,050)	(2,993)	(3,203)
Associates	101	58	220	224	228
Recurring non-operating income	493	751	420	424	428
Non-recurring items	(102)	(442)	0	0	0
Profit before tax	4,212	3,989	5,747	8,369	11,789
Tax	(235)	(233)	(229)	(406)	(698)
Profit after tax	3,977	3,755	5,519	7,963	11,091
Minority interests	(1,646)	(1,581)	(2,636)	(3,997)	(5,093)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	2,331	2,175	2,882	3,966	5,998
Non-recurring items & goodwill (net)	102	442	0	0	0
Recurring net profit	2,433	2,617	2,882	3,966	5,998
Per share (THB)					
Recurring EPS *	0.93	1.00	1.11	1.52	2.30
Reported EPS	0.89	0.83	1.11	1.52	2.30
DPS	0.37	0.37	1.00	1.00	1.00
Diluted shares (used to calculate per share data)	2,607	2,607	2,607	2,607	2,607
Growth					
Revenue (%)	20.6	(0.1)	11.4	17.0	21.5
Operating EBITDA (%)	22.5	15.7	9.1	20.0	25.3
Operating EBIT (%)	16.0	14.0	16.4	30.6	33.2
Recurring EPS (%)	32.1	7.6	10.1	37.6	51.2
Reported EPS (%)	25.1	(6.7)	32.5	37.6	51.2
Operating performance					
Gross margin inc. depreciation (%)	18.5	21.0	20.8	22.7	24.6
Gross margin of key business (%)	18.5	21.0	20.8	22.7	24.6
Operating EBITDA margin (%)	24.9	28.8	28.2	28.9	29.8
Operating EBIT margin (%)	14.3	16.3	17.1	19.0	20.9
Net margin (%)	5.5	5.9	5.9	6.9	8.6
Effective tax rate (%)	5.7	5.9	4.1	5.0	6.0
Dividend payout on recurring profit (%)	39.6	36.9	90.4	65.7	43.5
Interest cover (X)	2.7	2.3	2.9	3.8	4.7
Inventory days	11.4	12.4	12.1	12.0	11.8
Debtor days	54.9	57.8	50.7	43.3	35.6
Creditor days	139.0	148.6	65.9	65.4	64.3
Operating ROIC (%)	7.9	7.8	7.5	8.7	10.4
ROIC (%)	6.9	6.9	6.4	7.5	9.1
ROE (%)	10.3	9.4	10.2	13.4	18.8
ROA (%)	5.5	5.6	6.2	7.8	9.4
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Electricity generation	44,128	44,087	49,101	57,471	69,843
Others business	4	0	0	0	0

Sources: B.Grimm Power; FSSIA estimates

Financial Statements

B.Grimm Power

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	2,433	2,617	2,882	3,966	5,998
Depreciation	4,660	5,494	5,466	5,681	6,266
Associates & minorities	101	58	220	224	228
Other non-cash items	-	-	-	-	-
Change in working capital	11,276	(12,068)	524	634	920
Cash flow from operations	18,470	(3,898)	9,092	10,504	13,411
Capex - maintenance	(100)	(101)	(100)	(100)	(100)
Capex - new investment	(14,341)	(13,562)	(16,900)	(17,900)	(17,900)
Net acquisitions & disposals	(272)	(465)	0	0	0
Other investments (net)	(959)	815	220	224	228
Cash flow from investing	(15,672)	(13,313)	(16,780)	(17,776)	(17,772)
Dividends paid	(965)	(965)	(1,486)	(2,607)	(2,607)
Equity finance	0	0	0	0	0
Debt finance	(2,494)	15,230	(10,745)	8,000	2,000
Other financing cash flows	9,144	(328)	2,195	3,549	4,638
Cash flow from financing	5,685	13,938	(10,035)	8,943	4,031
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	8,483	(3,274)	(17,723)	1,671	(331)
Free cash flow to firm (FCFF)	5,428.45	(14,024.75)	(4,637.33)	(4,279.10)	(1,158.60)
Free cash flow to equity (FCFE)	9,447.90	(2,308.98)	(16,237.67)	4,277.62	2,276.22
Per share (THB)					
FCFF per share	2.08	(5.38)	(1.78)	(1.64)	(0.44)
FCFE per share	3.62	(0.89)	(6.23)	1.64	0.87
Recurring cash flow per share	2.76	3.13	3.29	3.79	4.79
Balance Sheet (THB m) Year Ending Dec					
Tangible fixed assets (gross)	100,752	114,469	131,469	149,469	167,469
Less: Accumulated depreciation	(28,620)	(34,169)	(39,635)	(45,315)	(51,581)
Tangible fixed assets (net)	72,132	80,300	91,835	104,154	115,888
Intangible fixed assets (net)	10,908	12,949	12,949	12,949	12,949
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	1,535	1,070	1,070	1,070	1,070
Cash & equivalents	23,663	20,389	2,667	4,337	4,007
A/C receivable	7,156	6,818	6,818	6,818	6,818
Inventories	969	1,033	1,177	1,363	1,634
Other current assets	1,706	1,638	1,825	2,136	2,595
Current assets	33,493	29,879	12,486	14,654	15,055
Other assets	3,625	6,498	6,498	6,498	6,498
Total assets	121,693	130,696	124,838	139,325	151,460
Common equity	28,144	27,470	28,866	30,226	33,617
Minorities etc.	10,533	11,834	14,470	18,467	23,560
Total shareholders' equity	38,677	39,304	43,337	48,693	57,177
Long term debt	55,596	57,256	57,256	67,256	67,256
Other long-term liabilities	1,588	7,143	7,143	7,143	7,143
Long-term liabilities	57,184	64,399	64,399	74,399	74,399
A/C payable	18,254	5,641	6,426	7,442	8,922
Short term debt	7,175	20,745	10,000	8,000	10,000
Other current liabilities	403	607	676	791	961
Current liabilities	25,832	26,993	17,102	16,233	19,884
Total liabilities and shareholders' equity	121,693	130,696	124,838	139,325	151,460
Net working capital	(8,826)	3,242	2,717	2,084	1,164
Invested capital	79,374	104,059	115,069	126,754	137,569
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	10.80	10.54	11.07	11.59	12.90
Tangible book value per share	6.61	5.57	6.11	6.63	7.93
Financial strength					
Net debt/equity (%)	101.1	146.6	149.0	145.6	128.1
Net debt/total assets (%)	32.1	44.1	51.7	50.9	48.4
Current ratio (x)	1.3	1.1	0.7	0.9	0.8
CF interest cover (x)	10.5	4.2	1.2	8.4	7.3
Valuation					
Recurring P/E (x) *	44.5	41.3	37.5	27.3	18.0
Recurring P/E @ target price (x) *	62.1	57.8	52.5	38.1	25.2
Reported P/E (x)	46.4	49.7	37.5	27.3	18.0
Dividend yield (%)	0.9	0.9	2.4	2.4	2.4
Price/book (x)	3.8	3.9	3.7	3.6	3.2
Price/tangible book (x)	6.3	7.5	6.8	6.3	5.2
EV/EBITDA (x) **	14.4	14.0	13.5	11.9	9.8
EV/EBITDA @ target price (x) **	18.3	17.4	16.6	14.5	11.9
EV/invested capital (x)	2.0	1.7	1.6	1.6	1.5
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: B.Grimm Power; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PCSGH	PDJ	PG	PHOL	PLANB	PLANET
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEAOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TTB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TRC	TSC	TSR	TSTE	TSTH
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSIB	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIJK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

GOOD LEVEL										
7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	IHL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TIPIP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

Description

Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

Disclaimer:

The disclosure of the survey results of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; ** delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

Anti-corruption Progress Indicator 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANAHA	AP	AQUA	ARROW
ASK	ASP	AYUD	B	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG
BGC	BGRIM	BJCHI	BKI	BLA	BPP	BROOK	BRR	BSBM	BTS	BWG
CEN	CENTEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT	CM	CMC
COL	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DELTA	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FPI	FPT	FSS
FTE	GBX	GC	GCAP	GEL	GFPT	GGC	GJS	GPSC	GSTEEL	GUNKUL
HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS	INET	INSURE	INTUCH	IRPC
ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL
KTB	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	M	MAKRO
MALEE	MBAX	MBK	MBKET	MC	MCOT	MFC	MFEC	MINT	MONO	MOONG
MPG	MSC	MTC	MTI	NBC	NEP	NINE	NKI	NMG	NNCL	NSI
NWR	OCC	OCEAN	OGC	ORI	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPPM
PPS	PREB	PRG	PRINC	PRM	PSH	PSL	PSTC	PT	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QLT	QTC	RATCH	RML	RWI	S & J
SABINA	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SEAOIL	SE-ED	SELIC
SENA	SGP	SIRI	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK
SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC
TAE	TAKUNI	TASCO	TBSP	TCAP	TCMC	TFG	TFI	TFMAMA	THANI	THCOM
THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT	TTB	TMD	TMILL	TMT
TNITY	TNL	TNP	TNR	TOG	TOP	TPA	TPCORP	TPP	TRU	TSC
TSTH	TTCL	TU	TVD	TVI	TVO	TWPC	U	UBIS	UEC	UKEM
UOBKH	UWC	VGI	VIH	VNT	WACOAL	WHA	WHAUP	WICE	WIJK	XO
ZEN	TRUE									

DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

Disclaimer:

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; * FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Suwat Sinsadok FSS International Investment Advisory Securities Co., Ltd

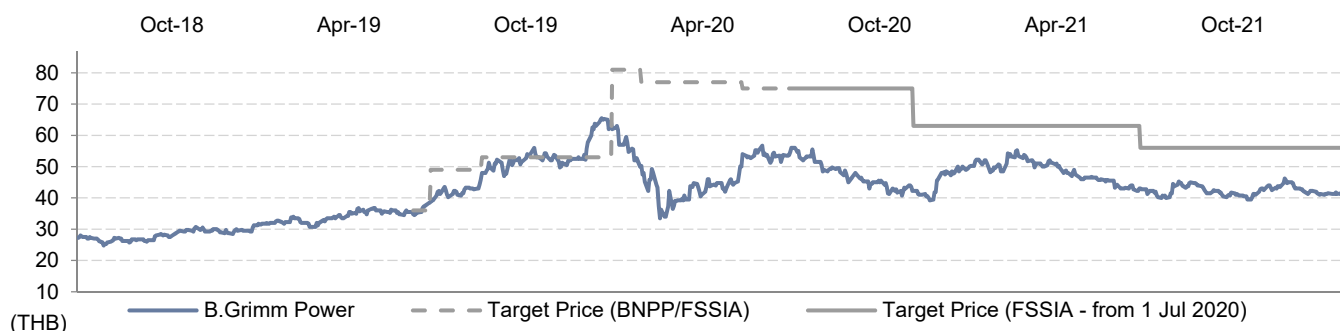
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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History of change in investment rating and/or target price

B.Grimm Power (BGRIM TB)



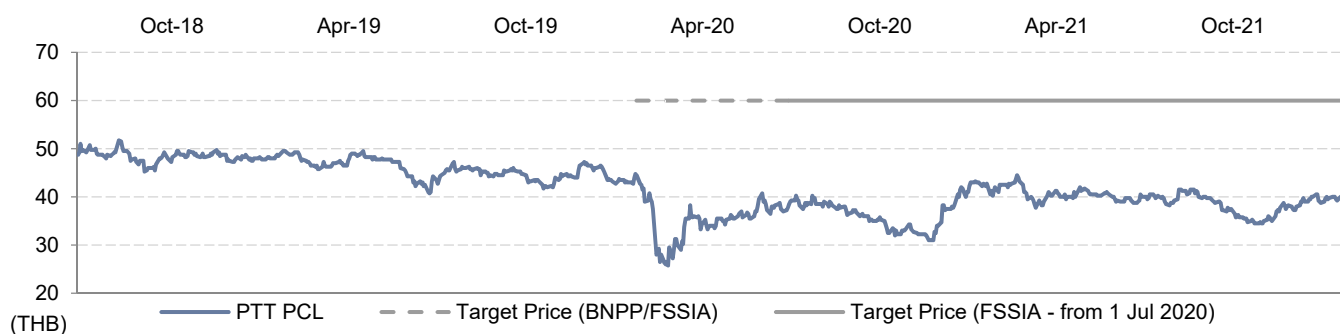
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
13-Aug-2019	BUY	36.00	25-Feb-2020	BUY	77.00	01-Mar-2021	BUY	63.00
28-Aug-2019	BUY	49.00	22-May-2020	BUY	75.00	28-Apr-2021	BUY	56.00
11-Oct-2019	BUY	53.00	26-Jun-2020	BUY	75.00			
31-Jan-2020	BUY	81.00	15-Oct-2020	BUY	63.00			

Suwat Sinsadok started covering this stock from 13-Aug-2019

Price and TP are in local currency

Source: FSSIA estimates

PTT PCL (PTT TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
21-Feb-2020	BUY	60.00	-	-	-	-	-	-

Suwat Sinsadok started covering this stock from 09-Oct-2018

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
B.Grimm Power	BGRIM TB	THB 41.50	BUY	The downside risks to our SoTP-based TP include 1) lower-than-expected demand for electricity in Thailand, 2) a lower crude price, and 3) unplanned shutdowns of its SPPs.
PTT PCL	PTT TB	THB 39.50	BUY	Risks to our SoTP-based valuation are the oil price and potential earnings downside from government intervention.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 25-Oct-2021 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.