

# B.GRIMM POWER BGRIM TB

## THAILAND / UTILITIES - CONVENTIONAL

# BUY

UNCHANGED

## Ready to rebound by 2Q22

- We believe BGRIM is likely to see a bottom quarterly net profit of THB0.1b in 1Q22 before starting to recover significantly in 2Q22.
- BGRIM targets an increase in its capacity to 7.2GW by 2025, up from 3.25GW as of 2021.
- Maintain BUY and trim our SoTP-based TP to THB44.

TARGET PRICE	THB44.00
CLOSE	THB34.00
UP/DOWNSIDE	+29.4%
PRIOR TP	THB46.00
CHANGE IN TP	-4.3%
TP vs CONSENSUS	-5.9%

### KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	46,628	71,472	86,357	88,905
Net profit	2,276	3,663	5,675	5,958
EPS (THB)	0.87	1.41	2.18	2.29
vs Consensus (%)	-	33.5	44.9	44.9
EBITDA	12,160	16,522	21,034	22,793
Core net profit	2,440	3,663	5,675	5,958
Core EPS (THB)	0.94	1.41	2.18	2.29
Chg. In EPS est. (%)	13.4	(11.3)	(6.0)	0.0
EPS growth (%)	(6.8)	50.2	54.9	5.0
Core P/E (x)	36.3	24.2	15.6	14.9
Dividend yield (%)	0.8	1.5	2.9	2.9
EV/EBITDA (x)	13.8	10.9	9.0	8.9
Price/book (x)	3.0	2.7	2.4	2.2
Net debt/Equity (%)	166.4	162.9	149.0	139.5
ROE (%)	8.6	11.8	16.4	15.5

### 1Q22 bottom ahead of a sharp net profit recovery in 2Q22 onward

We confirm our view than BGRIM is likely to see a bottom quarterly net profit of THB0.1b in 1Q22 before starting to recover significantly in 2Q22 onward, as 1) according to BGRIM, the gas price is expected to peak in 1Q22 at THB380-430/mmbtu, in line with our THB380/mmbtu assumption; and 2) BGRIM plans to add 1GW of new capacity in 2022, with 0.3GW already secured from the start-ups of 5 new small power producers (SPPs) under SPP replacement power purchase agreements (PPAs); and 3) 55MW of new demand from industrial users (IUs).

### Toxic gas cost should greatly subside by 2H22-2023

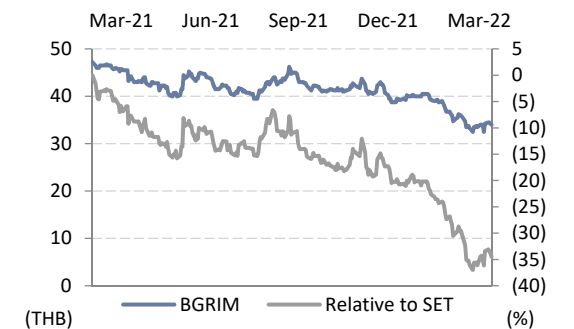
With 77% of its capacity from gas-fired power plants, BGRIM is highly exposed and is currently suffering from the spiking gas price from THB230/mmbtu in 1Q21 to THB380/mmbtu in 1Q22E in Thailand as a result of the higher imports of LNG (4.5mt in 2022 vs 1.2mt in 2021) with a spot price of over USD30/mmbtu vs only USD8-12/mmbtu for the gas sources from the Gulf of Thailand, imported from Myanmar, and contract LNG (5.2mtpa). In 2023, we expect BGRIM to see a much lower gas price by up to 20-30% y-y, supported by 1) its 0.5mt of LNG imported at a 7-10% lower gas price than the pool gas price; and 2) higher efficiency of gas turbines and generators for its 7 new SPPs (5 in 2022 and 2 in 2023).

### Secured capacity growth to 3.9GW by 2025 vs target of 7.2GW

BGRIM targets an increase in its capacity to 7.2GW by 2025, up from 3.25GW as of 2021. In 2022, BGRIM expects to raise its capacity by 10-15% y-y to 3.5GW, rising to 3.9GW in 2023 before reaching 7.2GW in 2025, based on its committed projects. However, to achieve its 7.2GW target by 2025, BGRIM plans to spend capex of THB140b to fund inorganic growth projects, with an equity injection of THB30b required.

### Maintain BUY; TP lowered to THB44

We maintain BUY and trim our SoTP-based TP to THB44. We revise down our EPS forecasts for 2022-23 by 6-11% to reflect our higher gas price assumptions by 13-19% in 2022-24. We expect the gas price to reach THB349/mmbtu on average in 2022 before declining to THB314/mmbtu in 2024 when BGRIM starts to import LNG at a 7-10% lower price than Thailand's pool gas price.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(5.6)	(12.3)	(30.6)
Relative to country (%)	(7.1)	(17.8)	(36.9)
Mkt cap (USD m)	2,723		
3m avg. daily turnover (USD m)	14.1		
Free float (%)	31		
Major shareholder	B. Grimm Power (Singapore) Pte Ltd (34%)		
12m high/low (THB)	49.25/32.00		
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 capacity to 7.2GW by 2025, up from 3.25GW as of 2021, and aims to increase its renewable energy and conventional power capacities via SPPs in domestic and overseas markets.

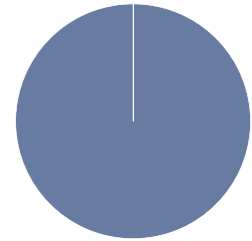
### Company profile

BGRIM is a holding company investing in electricity generating businesses of Small Power plants (SPP) with major gas-fired and solar farm power assets in Thailand, Laos, and Vietnam.

[www.bgrimpower.com](http://www.bgrimpower.com)

### Principal activities (revenue, 2021)

■ Electricity generation - 100.0 %



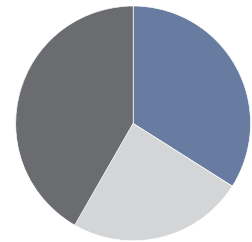
Source: B.Grimm Power

### 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
May 2022	1Q22 results announcement

### Key assumptions

	2022E	2023E	2024E
Utilisation rate (%)	92	93	94
Dispatched power (GWh)	12,778	11,504	11,510
Oil price (USD/bbl)	75	70	70
Average tariff (THB/kWh)	3.49	3.67	3.85
Gas price (THB/mmBtu)	349	332	314

Source: FSSIA estimates

### Earnings sensitivity

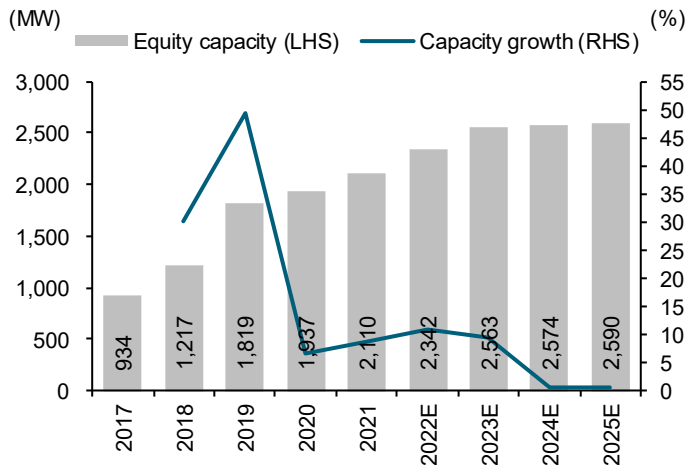
- Ceteris paribus, for every 1% increase in gas price, we estimate 2022 earnings would decline 1.15%, and vice versa.
- Ceteris paribus, for every 1% increase in interest rate, we estimate 2022 earnings would decline 1.2%, and vice versa.

Source: FSSIA estimates

## Ready to rebound by 2Q22

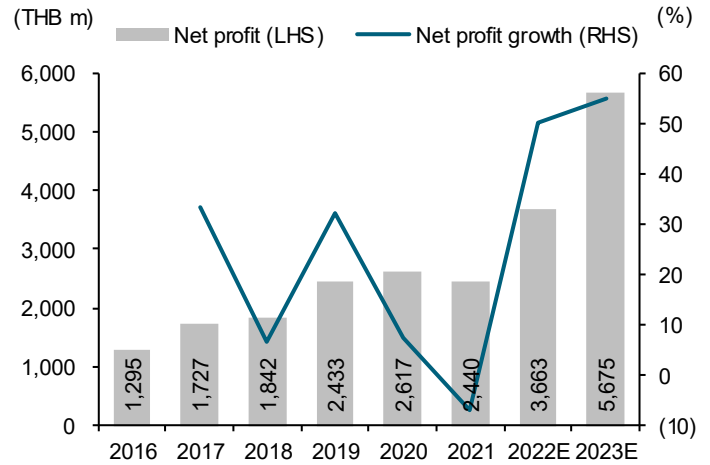
We confirm our view than BGRIM is likely to see a bottom quarterly net profit of THB0.1b in 1Q22 before starting to recover significantly in 2Q22 onward, as 1) according to BGRIM, the gas price is expected to peak in 1Q22 at THB380-430/mmbtu, in line with our THB380/mmbtu assumption; and 2) BGRIM plans to add 1GW of new capacity in 2022, with 0.3GW already secured from the start-ups of five new SPPs under SPP replacement PPAs; and 3) 55MW of new demand from IUs.

**Exhibit 1: Equity and equity capacity growth**



Sources: BGRIM; FSSIA estimates

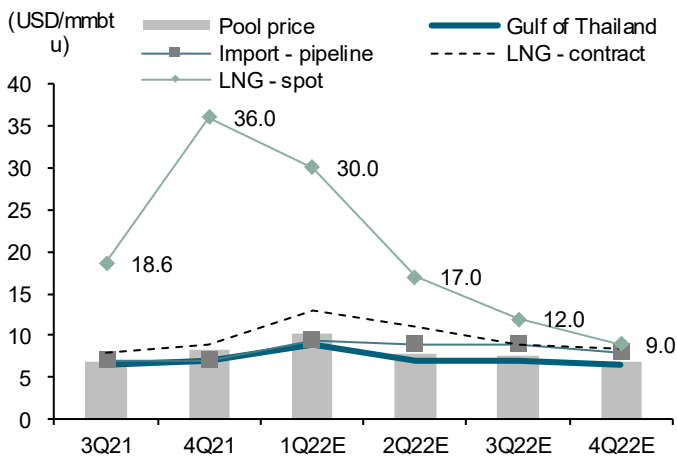
**Exhibit 2: Net profit and net profit growth**



Sources: BGRIM; FSSIA estimates

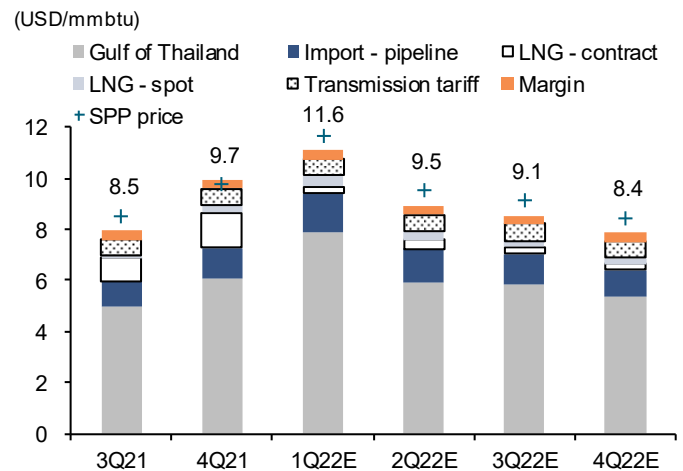
With higher spot LNG imports by PTT (PTT TB, BUY, TP THB60) in 2022 to supplement its 5.2mt LNG import contract to compensate for the gas supply shortfall in Thailand, the average pool gas price has spiked from THB320/mmbtu in 4Q21 and is projected by PTT to shoot up further to THB380/mmbtu in 1Q22, as the price of spot LNG is high at USD30/mmbtu in 1Q22, before potentially declining to USD17/mmbtu in 2Q22, USD12/mmbtu in 3Q22, and USD9/mmbtu in 4Q22, based on our estimate.

**Exhibit 3: Thailand's gas price by source after Russia's invasion of Ukraine (24 Feb 2022)**



Sources: PTT; BGRIM; FSSIA estimates

**Exhibit 4: Post-Russian invasion gas price components of SPPs' final gas price**

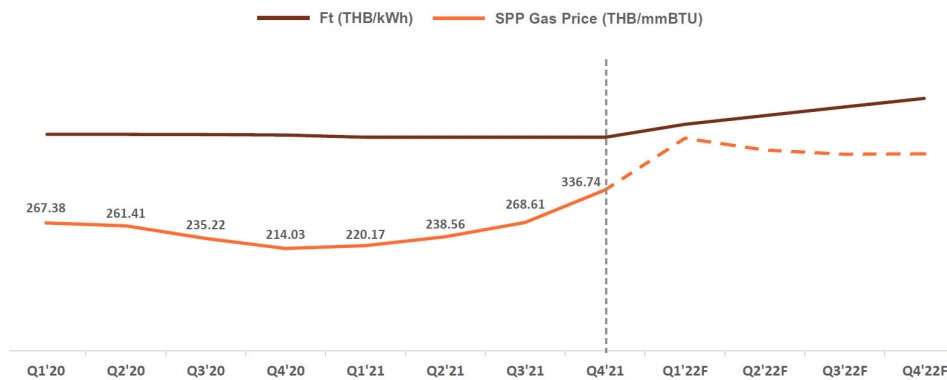


Sources: PTT; BGRIM; FSSIA estimates

### Toxic gas cost should greatly subside by 2H22-2023

With 77% of its capacity from gas-fired power plants, BGRIM is highly exposed and is currently suffering from the spiking gas price from THB230/mmbtu in 1Q21 to THB380/mmbtu in 1Q22E in Thailand as a result of the higher imports of LNG (4.5mt in 2022 vs 1.2mt in 2021) with a spot price of over USD30/mmbtu vs only USD8-12/mmbtu for the gas sources from the Gulf of Thailand, imported from Myanmar, and contract LNG (5.2mtpa).

#### Exhibit 5: Thailand's fuel tariff (Ft) and SPP gas prices



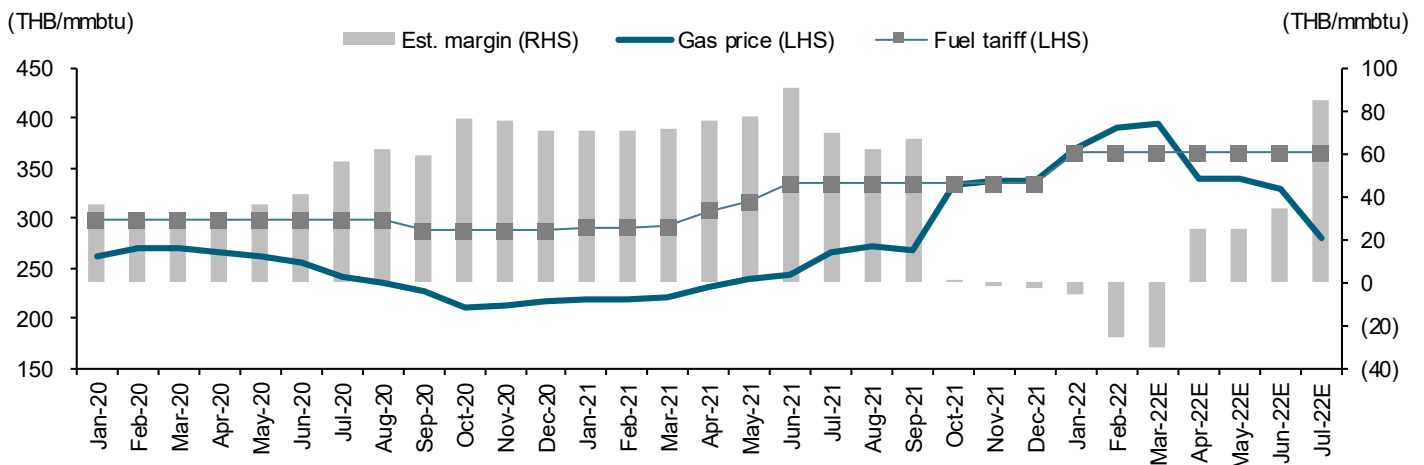
Sources: BGRIM; Energy Regulatory Commission (ERC); PTT

In 2023, we expect BGRIM to see a much lower gas price by up to 20-30% y-y, supported by 1) its 0.5mt of LNG imported at a 7-10% lower gas price than the pool gas price; and 2) higher efficiency of gas turbines and generators for its seven new SPPs (five in 2022 and two in 2023).

**No net loss expected in 1Q22.** In the analyst call conference post 2021 results on 4 Mar-22, CEO Mr. Harald Link stated that BGRIM is unlikely to post a net loss in 1Q22 despite the sharp rise in the gas cost to THB380-430/mmbtu projected by BGRIM. The main reason BGRIM believes it will be able to maintain profitability in 1Q22, even with the gas cost spike, is the higher efficiency of its two ageing SPPs – ABP4 and BPWHA – as the company has already changed the machinery of these two plants to enhance their efficiency and reduce gas consumption.

In addition, BGRIM has already signed a terminal use agreement with PTT Global LNG (PTTGL, not listed) to secure the capacity for its upcoming import of 0.5mt of LNG in Feb-23. BGRIM plans to sign an LNG sales and purchase agreement and pipeline capacity contract within 2022 ahead of its LNG imports in 2023 onward.

#### Exhibit 6: Gas price, fuel tariff, and estimated margin

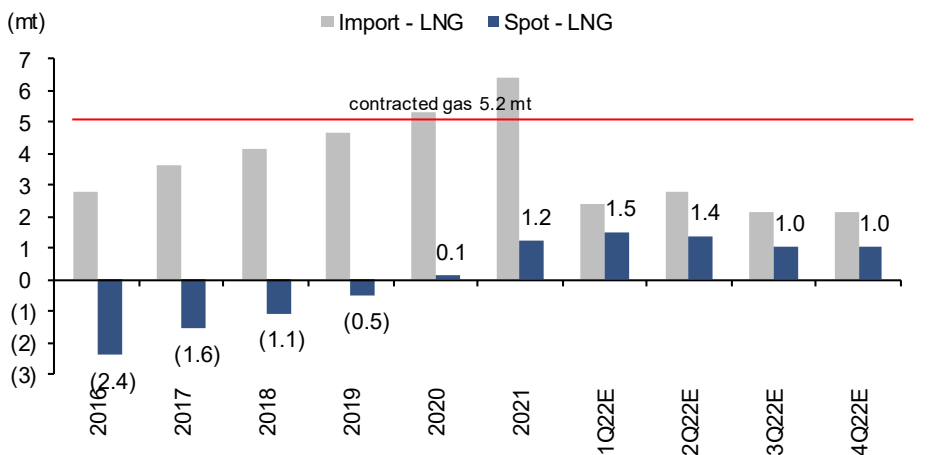


Sources: BGRIM; FSSIA estimates

**Higher import volume of spot LNG is the key culprit for BGRIM's margin squeeze.** According to PTT, Thailand is expected to import 4.5mt of spot LNG in 2022, up from 1.2mt in 2021, while maintaining the maximum 5.2mt contract LNG import level. However, the global spot LNG price has risen to over USD30/mmbtu in 1Q22 due to the rising supply risk in Europe caused by Russia's invasion of Ukraine and the shutdowns of nuclear and coal-fired power plants in Europe.

In 2022, we forecast that PTT will import up to 9.8mt of LNG, equivalent to 1,372mmscfd or 7-9% of the total gas supply in 2022 at 4,450mmscfd, up from 6.4mt in 2021 and 5.3mt in 2020, based on PTT's guidance. Of the total projected 9.8mt of LNG imported, 5.2mt would come from contract LNG at a USD8-13/mmbtu price and the remainder would come from spot LNG imports at a higher price of over USD25-30/mmbtu, based on our estimate.

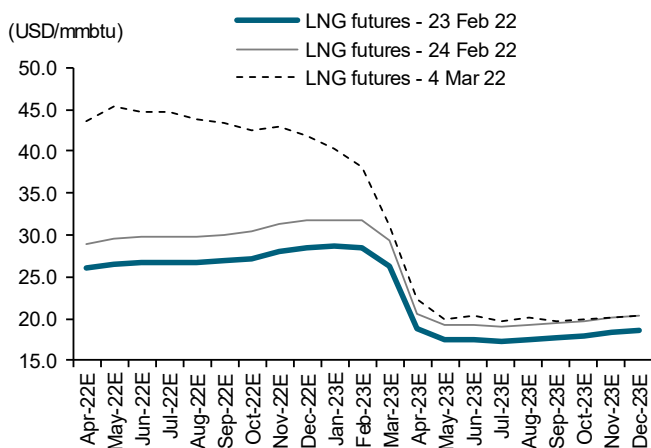
**Exhibit 7: Thailand's LNG imports and exports**



Sources: ERC; PTT; Bloomberg; FSSIA estimates

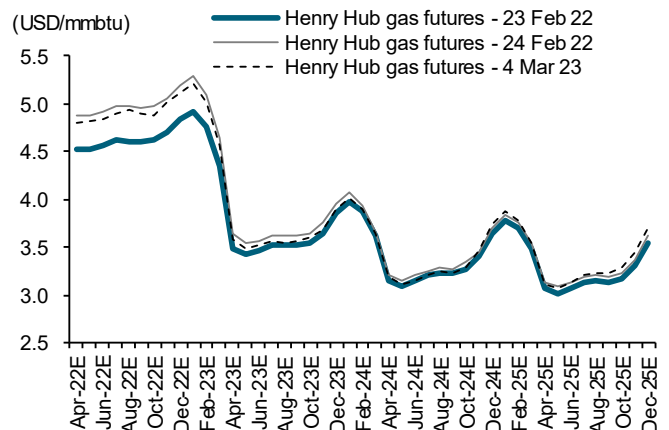
**LNG futures reacted the most among all commodities.** As the only major source of energy for the EU, LNG futures reacted the most to Russia's invasion of Ukraine, rising by over 10% to USD29-31/mmbtu for the near-dated futures from Mar-22 to Feb-23. Meanwhile, the Henry Hub benchmark gas price also jumped by over 10% immediately for the near-dated futures (Mar-22 to Jan-23). These reflect the tighter LNG market than crude oil and coal, in our view.

**Exhibit 8: LNG Japan-Korea Market (JKM) futures**



Source: Bloomberg

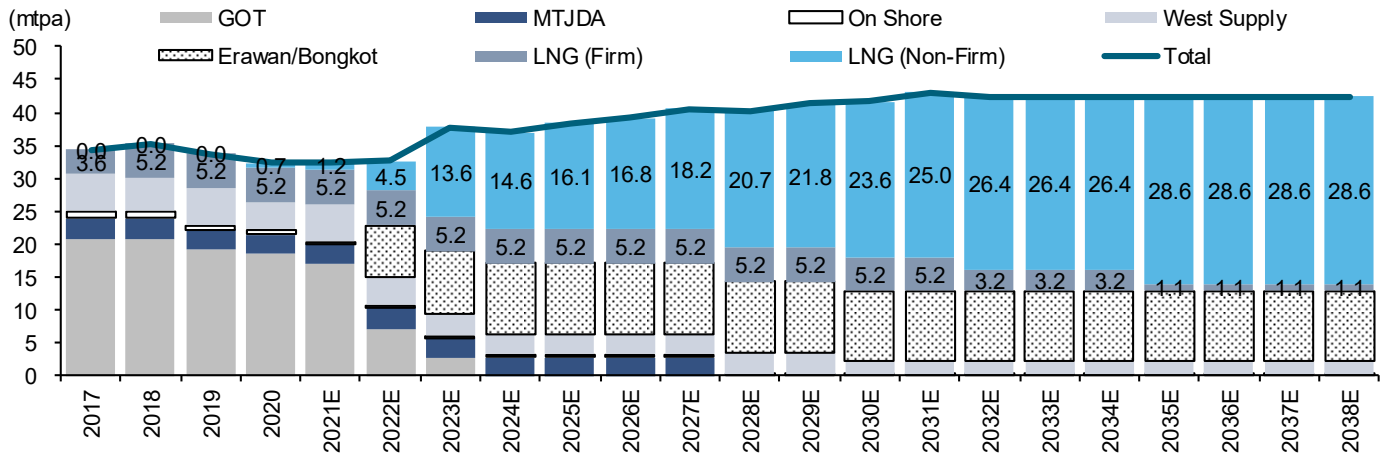
**Exhibit 9: Henry Hub futures**



Source: Bloomberg

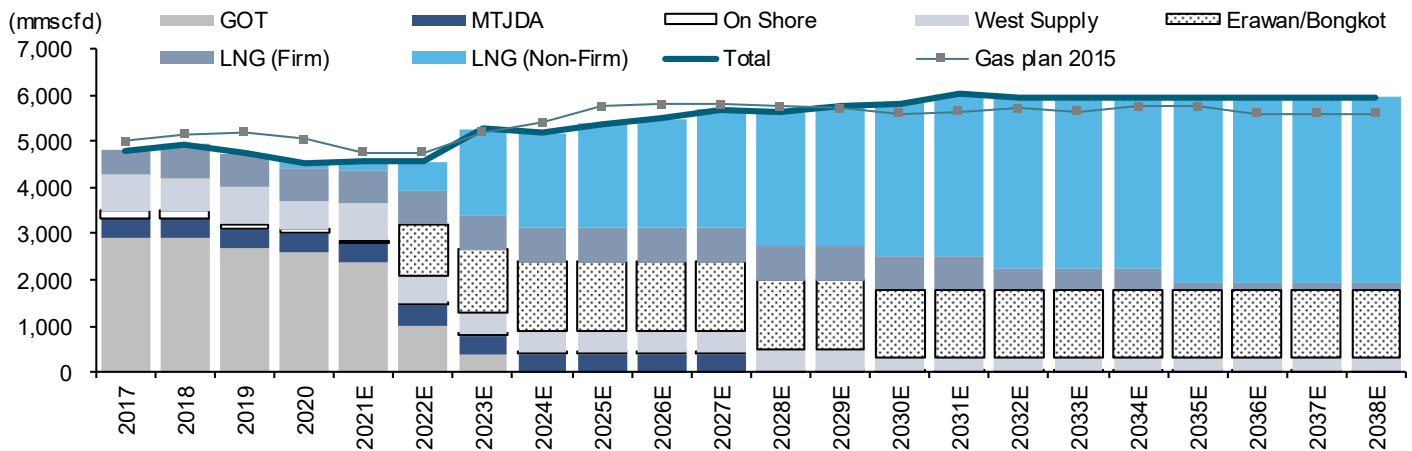
Using the government's Gas Plan 2018, we have made some estimate revisions to incorporate the higher LNG import volume in 2021-25 to compensate for the drop in gas production at Erawan (see exhibits below). In 2022, PTT expects 2.75mt of imported spot LNG to supplement the 1.75mt spot LNG imports by private companies with shipper licenses, including Gulf Energy Development (GULF TB, BUY, TP THB60) and the Electricity Generating Authority of Thailand (EGAT) along with PTT's import of 5.2mt of contract LNG.

**Exhibit 10: LNG imports to be higher in 2021-25**



Sources: PTT; FSSIA estimates

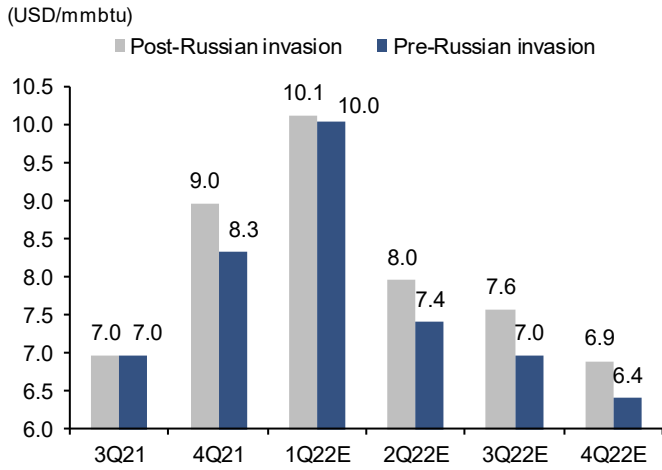
**Exhibit 11: Gas supply projections with revised production for Erawan and spot LNG imports**



Sources: PTT; FSSIA estimates

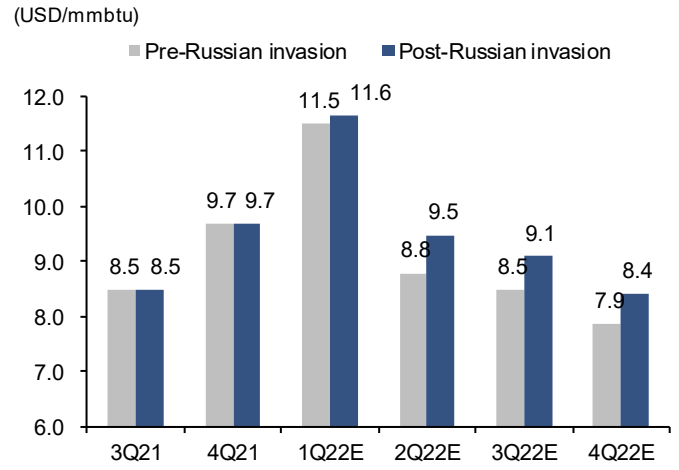
As we project a higher impact from PTT's high-priced LNG import volume of 2.85mt, excluding the 1.75mt imported by private companies, we think the final gas prices sold to SPPs will increase by 8-12% on average in 2Q-4Q22 and rise by USD0.1/mmbtu in 1Q22, as PTT has already imported 0.6mt of spot LNG out of 0.9mt in 1Q22 at a price of USD30/mmbtu.

### Exhibit 12: Thailand's pool gas price, pre and post Russian invasion



Sources: PTT; BGRIM; FSSIA estimates

### Exhibit 13: Thailand's gas price sold to SPPs, pre and post Russian invasion



Sources: PTT; BGRIM; FSSIA estimates

## Capacity growth roadmap remains sanguine

BGRIM targets an increase in its capacity to 7.2GW by 2025, up from 3.25GW as of 2021. In 2022, BGRIM expects to raise its capacity by 10-15% y-y to 3.5GW, rising to 3.9GW in 2023 before reaching 7.2GW in 2025, based on its committed projects. However, to achieve its 7.2GW target by 2025, BGRIM plans to spend capex of THB140b to fund inorganic growth projects, with an equity injection of THB30b required.

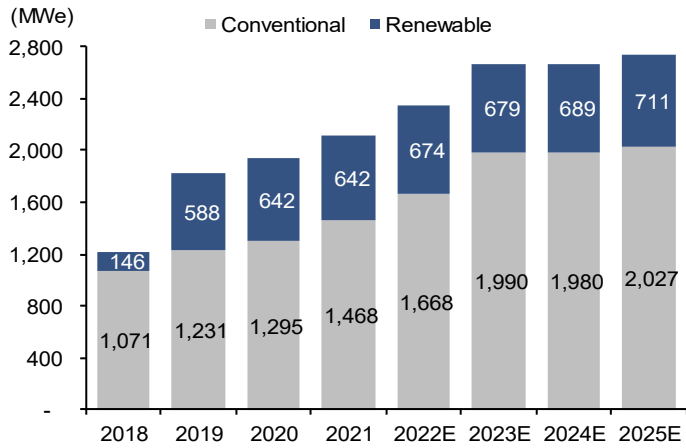
### Exhibit 14: Growth projects

	Equity capacity	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	1,937	118	6	ATP, Ray solar farm
2021	2,110	173	9	BOTHONG wind farms, BPAM extension
2022E	2,342	232	11	PPTC and SSUT, Hybrid U-Tapao (15MW), BPLC1, ABP1, ABP2, SPP1 SPP replacements, Tadsakoi, Nam Khao 4
2023E	2,669	327	14	BGPAT1, BGPAT2 SPPs, Nam Khao 2, Hybrid U-Tapao (80MW + ESS 50MW)
2024E	2,669	0	-	
2025E	2,738	69	3	Nam Khao 3, Nam Khao 1, 5
<b>Total equity capacity</b>	<b>2,738</b>	<b>1,764</b>		
CAGR from 2016-2023		1,695	28.7	
CAGR from 2019-2023		1,452	10.1	
CAGR from 2016-2025		1,764	12.2	

Sources: BGRIM; FSSIA estimates

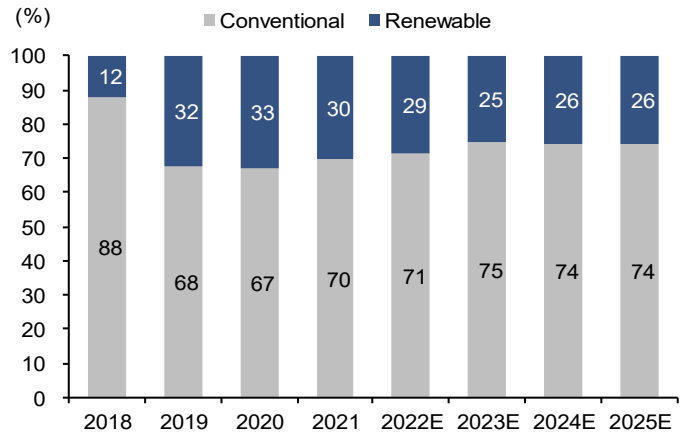
Note that in 2H22 into 2023, BGRIM is set to witness its highest capacity growth period, in terms of total capacity, since its inception, with a projected 559MW of new capacity to be added in only 18 months (232MW added in 2022 and 327MW in 2023). Most of the capacity growth in 2022 will come from five new SPPs with SPP replacement PPAs. Thanks to their new generators with much higher energy efficiency by over 15-20% compared to existing SPPs, we expect BGRIM to save 7-10% on its gas cost from the new power generators.

**Exhibit 15: Equity capacity breakdown (conventional vs renewable)**



Sources: BGRIM; FSSIA estimates

**Exhibit 16: Equity capacity breakdown by conventional and renewable type**



Sources: BGRIM; FSSIA estimates

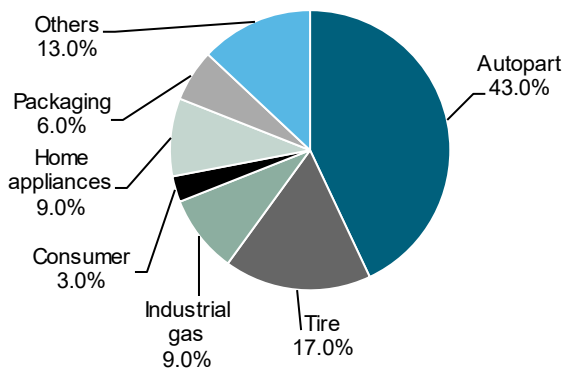
In 2021, BGRIM added 600MW of new capacity via SPPs and plans to add 55MW of new demand from IUs in a number of industries, mostly in autoparts, tires, industrial gas, and home appliances. Following the commencement of the commercial operation dates of its five SPPs in 2022, the sales volume proportion to EGAT should reduce from 64% in 2021 to below 60%, based on our estimate, as BGRIM intends to replace most of its electricity sales volume sold to EGAT with IUs.

**Exhibit 17: SPP 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 (MW)	Steam (tph)	Equity capacity (MW)		Stake (%)	Power (MW)	Steam (tph)	Equity capacity (MW)		
	BPLC1	100	103	46		103	100	140	46		
ABP1	51	166	6	85	51	140	20	71	7,409	Sep-22E	
ABP2	15	171	16	26	51	140	16	71	7,409	Sep-22E	
BGPC #1	70	62	24	43.4	70	140	48	98	7,409	Dec-22E	
BGPM #2	70	62	24	43.4	70	140	48	98	7,409	Dec-22E	
<b>Total</b>	<b>61</b>	<b>564</b>	<b>116</b>	<b>301</b>	<b>68</b>	<b>700</b>	<b>178</b>	<b>479</b>	<b>7,409</b>		

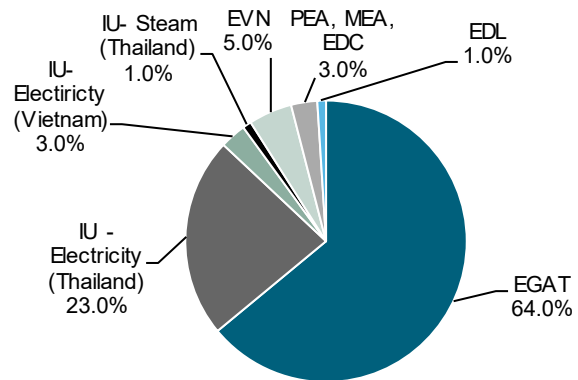
Sources: BGRIM; FSSIA estimates

**Exhibit 18: IU sales volume breakdown by industry (2021)**



Source: BGRIM

**Exhibit 19: Revenue breakdown by customer (2021)**



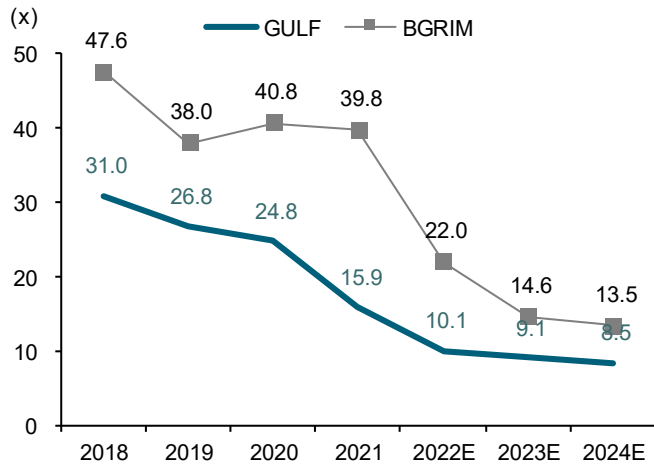
Source: BGRIM



## EPS and target price revisions

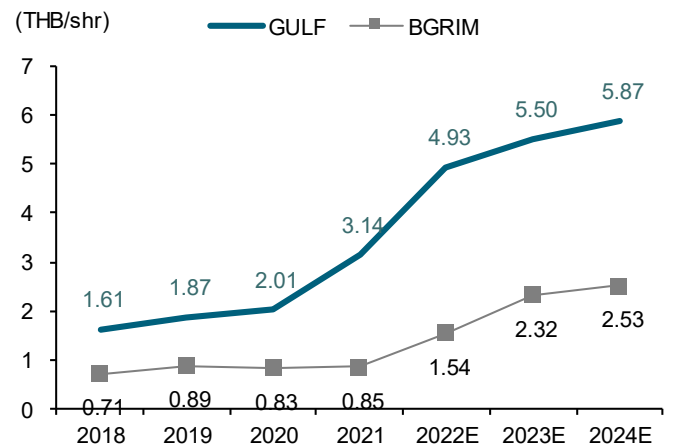
We maintain BUY and trim our SoTP-based TP to THB44. We revise down our EPS forecasts for 2022-23 by 6-11% to reflect our higher gas price assumptions by 13-19% in 2022-24. We expect the gas price to reach THB349/mmbtu on average in 2022 before declining to THB314/mmbtu in 2024 on the back of the supply additions from the low-cost gas supplies from Erawan (estimated 350mmscfd in 2022 to 550mmscfd in 2023 and 750mmscfd in 2024) and imported LNG by private firms.

Exhibit 20: Forward P/E comparison (BGRIM vs GULF)



Sources: Companies; FSSIA estimates

Exhibit 21: Forward EPS comparison (BGRIM vs GULF)



Sources: Companies; FSSIA estimates

We believe BGRIM is now highly attractive, despite the weak net profit that we project in 1Q22 due to the high gas cost, we think its net profit in 2Q22 onward will significantly rise toward THB1b a quarter by 2H23 when all of its seven new SPPs start their operations.

Exhibit 22: Changes in EPS forecasts and assumptions

	Current			Previous			Change		
	2022E (THB m)	2023E (THB m)	2024E (THB m)	2022E (THB m)	2023E (THB m)	2024E (THB m)	2022E (%)	2023E (%)	2024E (%)
Revenue	71,472	86,357	88,905	66,555	80,818	83,585	7.4	6.9	6.4
Gross profit	19,087	24,132	25,982	20,013	24,757	25,957	(4.6)	(2.5)	0.1
Operating profit	10,899	14,823	16,469	12,002	15,646	16,635	(9.2)	(5.3)	(1.0)
Net profit	3,663	5,675	5,958	4,128	6,035	5,955	(11.3)	(6.0)	0.0
EPS (THB/share)	1.4	2.2	2.3	1.6	2.3	2	(11.3)	(6.0)	0.0
<b>Key assumptions</b>									
Utilisation rate (%)	92	93	94	92	93	94	0.0	0.0	0.0
Dispatched power (GWh)	12,778	11,504	11,510	12,778	11,504	11,510	0.0	0.0	0.0
Oil price (USD/bbl)	75	70	70	75	70	70	0.0	0.0	0.0
Average tariff (THB/KWh)	3.49	3.67	3.85	3.31	3.47	4	5.7	5.7	5.7
<b>Gas price (THB/mmbtu)</b>	<b>349</b>	<b>332</b>	<b>314</b>	<b>295</b>	<b>286</b>	<b>277</b>	<b>18.6</b>	<b>16.1</b>	<b>13.4</b>

Sources: BGRIM; FSSIA estimates

We lower our SoTP-based target price from THB46 to THB44 to reflect our EPS revisions. We remain positive on BGRIM's net profit growth outlook post 2Q22 when we expect the gas price in Thailand to structurally decline toward an average of THB332/mmbtu by 2023. The new gas supplies with lower prices, including from Erawan, should gradually replace the high-priced spot LNG imports.

### Exhibit 23: SoTP-based target price

Cost of equity assumptions		(%)	Cost of debt assumptions		(%)
Risk free rate		2.3	Pretax cost of debt		4.6
Market risk premium		8.0	Marginal tax rate		20.0
Stock beta		1.00			
Cost of equity, Ke		10.3	Net cost of debt, Kd		3.7
Weight applied		30.4	Weight applied		69.6
		0.0			
WACC (%)		5.7			

DCF valuation estimate		(MW)	(%)	Equity Capacity	(THB/share)	Comments
SPP	Amata Nakorn (ABP1-5)	732	38	277	5.7	WACC 5.7%, Risk free rate 2.3%, Risk premium 8%
	ABP1&2 and BPLC1	420	51	214	8.0	WACC 5.7%, Risk free rate 2.3%, Risk premium 8%
	Amata City (ABPR1-5)	646	58	375	23.9	WACC 5.7%, Risk free rate 2.3%, Risk premium 8%
	Leam Chabang (BPLC1-2)	159	100	159	2.5	WACC 5.7%, Risk free rate 2.3%, Risk premium 8%
	Bangkadi (BIP1-2)	230	74	170	3.0	WACC 5.7%, Risk free rate 2.3%, Risk premium 8%
	SPP1	124	100	124	8.5	WACC 5.7%, Risk free rate 2.3%, Risk premium 8%
	Amata City Bien Hoa	13	31	4	0.1	WACC 5.7%, Risk free rate 2.3%, Risk premium 8%
	Hemraj	130	75	98	4.6	WACC 5.7%, Risk free rate 2.3%, Risk premium 8%
	BGPR1&2	240	60	144	8.6	WACC 5.7%, Risk free rate 2.3%, Risk premium 8%
	Solar Vietnam (Dau Tieng)	420	51	214	2.7	WACC 6%, Risk free rate 5%, Risk premium 7.5%
	Solar Vietnam (Hoa Hoi)	257	80	206	2.6	WACC 6%, Risk free rate 5%, Risk premium 7.5%
VSPP	Solar Thailand	115	52	60	1.1	WACC 4.9%, Risk free rate 5%, Risk premium 8%
	Hydropower	133	71	95	0.9	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				(30.0)	
<b>Residual ordinary equity</b>					<b>44.0</b>	

Sources: BGRIM; FSSIA estimates

## Financial Statements

B.Grimm Power

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	44,087	46,628	71,472	86,357	88,905
Cost of goods sold	(29,354)	(32,796)	(52,386)	(62,225)	(62,923)
<b>Gross profit</b>	<b>14,733</b>	<b>13,833</b>	<b>19,087</b>	<b>24,132</b>	<b>25,982</b>
Other operating income	-	-	-	-	-
Operating costs	(2,039)	(1,673)	(2,564)	(3,098)	(3,190)
<b>Operating EBITDA</b>	<b>12,694</b>	<b>12,160</b>	<b>16,522</b>	<b>21,034</b>	<b>22,793</b>
Depreciation	(5,494)	(5,139)	(5,623)	(6,211)	(6,323)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>7,200</b>	<b>7,021</b>	<b>10,899</b>	<b>14,823</b>	<b>16,469</b>
Net financing costs	(3,520)	(3,537)	(4,262)	(4,546)	(4,588)
Associates	58	44	224	228	211
Recurring non-operating income	751	396	424	428	411
Non-recurring items	(442)	(164)	0	0	0
<b>Profit before tax</b>	<b>3,989</b>	<b>3,715</b>	<b>7,061</b>	<b>10,704</b>	<b>12,291</b>
Tax	(233)	(298)	(359)	(647)	(876)
<b>Profit after tax</b>	<b>3,755</b>	<b>3,417</b>	<b>6,702</b>	<b>10,057</b>	<b>11,415</b>
Minority interests	(1,581)	(1,141)	(3,038)	(4,382)	(5,457)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>2,175</b>	<b>2,276</b>	<b>3,663</b>	<b>5,675</b>	<b>5,958</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>442</b>	<b>164</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>2,617</b>	<b>2,440</b>	<b>3,663</b>	<b>5,675</b>	<b>5,958</b>
<b>Per share (THB)</b>					
Recurring EPS *	1.00	0.94	1.41	2.18	2.29
Reported EPS	0.83	0.87	1.41	2.18	2.29
DPS	0.37	0.27	0.50	1.00	1.00
Diluted shares (used to calculate per share data)	2,607	2,607	2,607	2,607	2,607
<b>Growth</b>					
Revenue (%)	(0.1)	5.8	53.3	20.8	3.0
Operating EBITDA (%)	15.7	(4.2)	35.9	27.3	8.4
Operating EBIT (%)	14.0	(2.5)	55.2	36.0	11.1
Recurring EPS (%)	7.5	(6.8)	50.2	54.9	5.0
Reported EPS (%)	(6.7)	4.6	61.0	54.9	5.0
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	21.0	18.6	18.8	20.8	22.1
Gross margin of key business (%)	21.0	18.6	18.8	20.8	22.1
Operating EBITDA margin (%)	28.8	26.1	23.1	24.4	25.6
Operating EBIT margin (%)	16.3	15.1	15.2	17.2	18.5
Net margin (%)	5.9	5.2	5.1	6.6	6.7
Effective tax rate (%)	5.9	8.1	5.3	6.2	7.3
Dividend payout on recurring profit (%)	36.9	28.9	35.6	45.9	43.8
Interest cover (X)	2.3	2.1	2.7	3.4	3.7
Inventory days	12.4	11.2	8.8	10.0	10.7
Debtor days	57.8	61.8	54.3	60.5	75.4
Creditor days	148.6	63.1	51.5	58.3	63.0
Operating ROIC (%)	7.8	6.4	8.8	10.4	10.2
ROIC (%)	6.9	5.4	7.4	8.9	8.8
ROE (%)	9.4	8.6	11.8	16.4	15.5
ROA (%)	5.6	4.6	6.3	7.7	8.0
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Electricity generation	44,087	46,628	71,472	86,357	88,905
Others business	0	0	0	0	0

Sources: B.Grimm Power; FSSIA estimates

## Financial Statements

B.Grimm Power

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	2,617	2,440	3,663	5,675	5,958
Depreciation	5,494	5,139	5,623	6,211	6,323
Associates & minorities	58	44	224	228	211
Other non-cash items	-	-	-	-	-
Change in working capital	(12,068)	(3,772)	(1,964)	(3,471)	(4,178)
<b>Cash flow from operations</b>	<b>(3,898)</b>	<b>3,851</b>	<b>7,546</b>	<b>8,642</b>	<b>8,314</b>
Capex - maintenance	(101)	(102)	(100)	(100)	(100)
Capex - new investment	(13,562)	(9,541)	(17,900)	(17,900)	(17,900)
Net acquisitions & disposals	(465)	1,839	0	0	0
Other investments (net)	815	(1,944)	224	228	211
<b>Cash flow from investing</b>	<b>(13,313)</b>	<b>(9,748)</b>	<b>(17,776)</b>	<b>(17,772)</b>	<b>(17,789)</b>
Dividends paid	(965)	(704)	(704)	(1,303)	(2,607)
Equity finance	0	0	0	0	0
Debt finance	15,230	17,692	11,548	2,000	0
Other financing cash flows	(328)	(3,707)	2,591	3,927	5,037
<b>Cash flow from financing</b>	<b>13,938</b>	<b>13,281</b>	<b>13,434</b>	<b>4,623</b>	<b>2,430</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>(3,274)</b>	<b>7,385</b>	<b>3,204</b>	<b>(4,507)</b>	<b>(7,046)</b>
Free cash flow to firm (FCFF)	(14,024.99)	(1,603.01)	(5,968.30)	(4,583.94)	(4,887.25)
Free cash flow to equity (FCFE)	(2,309.22)	8,088.55	3,908.54	(3,203.37)	(4,438.86)

### Per share (THB)

FCFF per share	(5.38)	(0.61)	(2.29)	(1.76)	(1.87)
FCFE per share	(0.89)	3.10	1.50	(1.23)	(1.70)
Recurring cash flow per share	3.13	2.92	3.65	4.65	4.79

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	114,469	123,187	141,187	159,187	177,187
Less: Accumulated depreciation	(34,169)	(38,383)	(44,006)	(50,218)	(56,541)
<b>Tangible fixed assets (net)</b>	<b>80,300</b>	<b>84,804</b>	<b>97,180</b>	<b>108,969</b>	<b>120,645</b>
<b>Intangible fixed assets (net)</b>	<b>12,949</b>	<b>13,587</b>	<b>13,587</b>	<b>13,587</b>	<b>13,587</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	1,070	2,909	2,909	2,909	2,909
Cash & equivalents	20,389	27,774	30,978	26,471	19,425
A/C receivable	6,818	8,983	12,302	16,311	20,439
Inventories	1,033	971	1,551	1,843	1,864
Other current assets	1,638	3,330	5,104	6,167	6,349
<b>Current assets</b>	<b>29,879</b>	<b>41,058</b>	<b>49,936</b>	<b>50,793</b>	<b>48,077</b>
Other assets	6,498	6,839	6,839	6,839	6,839
<b>Total assets</b>	<b>130,696</b>	<b>149,198</b>	<b>170,451</b>	<b>183,097</b>	<b>192,058</b>
Common equity	27,470	29,471	32,431	36,802	40,153
Minorities etc.	11,834	11,344	14,383	18,765	24,222
<b>Total shareholders' equity</b>	<b>39,304</b>	<b>40,816</b>	<b>46,813</b>	<b>55,567</b>	<b>64,375</b>
Long term debt	57,256	89,241	99,241	99,241	99,241
Other long-term liabilities	7,143	6,418	6,417	6,417	6,417
<b>Long-term liabilities</b>	<b>64,399</b>	<b>95,658</b>	<b>105,658</b>	<b>105,658</b>	<b>105,658</b>
A/C payable	5,641	5,691	9,090	10,797	10,918
Short term debt	20,745	6,452	8,000	10,000	10,000
Other current liabilities	607	581	890	1,075	1,107
<b>Current liabilities</b>	<b>26,993</b>	<b>12,724</b>	<b>17,980</b>	<b>21,872</b>	<b>22,025</b>
<b>Total liabilities and shareholders' equity</b>	<b>130,696</b>	<b>149,198</b>	<b>170,451</b>	<b>183,097</b>	<b>192,058</b>
Net working capital	3,242	7,013	8,978	12,449	16,627
Invested capital	104,059	115,152	129,493	144,753	160,608

\* Includes convertibles and preferred stock which is being treated as debt

### Per share (THB)

Book value per share	10.54	11.31	12.44	14.12	15.40
Tangible book value per share	5.57	6.09	7.23	8.91	10.19

### Financial strength

Net debt/equity (%)	146.6	166.4	162.9	149.0	139.5
Net debt/total assets (%)	44.1	45.5	44.7	45.2	46.8
Current ratio (x)	1.1	3.2	2.8	2.3	2.2
CF interest cover (x)	4.2	6.0	6.1	4.2	3.9

Valuation	2020	2021	2022E	2023E	2024E
<b>Recurring P/E (x) *</b>	<b>33.9</b>	<b>36.3</b>	<b>24.2</b>	<b>15.6</b>	<b>14.9</b>
<b>Recurring P/E @ target price (x) *</b>	<b>43.8</b>	<b>47.0</b>	<b>31.3</b>	<b>20.2</b>	<b>19.3</b>
Reported P/E (x)	40.8	38.9	24.2	15.6	14.9
Dividend yield (%)	1.1	0.8	1.5	2.9	2.9
Price/book (x)	3.2	3.0	2.7	2.4	2.2
Price/tangible book (x)	6.1	5.6	4.7	3.8	3.3
EV/EBITDA (x) **	12.5	13.8	10.9	9.0	8.9
EV/EBITDA @ target price (x) **	14.5	16.0	12.4	10.3	10.0
EV/invested capital (x)	1.5	1.5	1.4	1.3	1.3

\* 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	PAP	PCSGH	PDJ	PG	PHOL	PLANB
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	SEOIL	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, CFA, FRM, ERP FSS International Investment Advisory Securities Co., Ltd

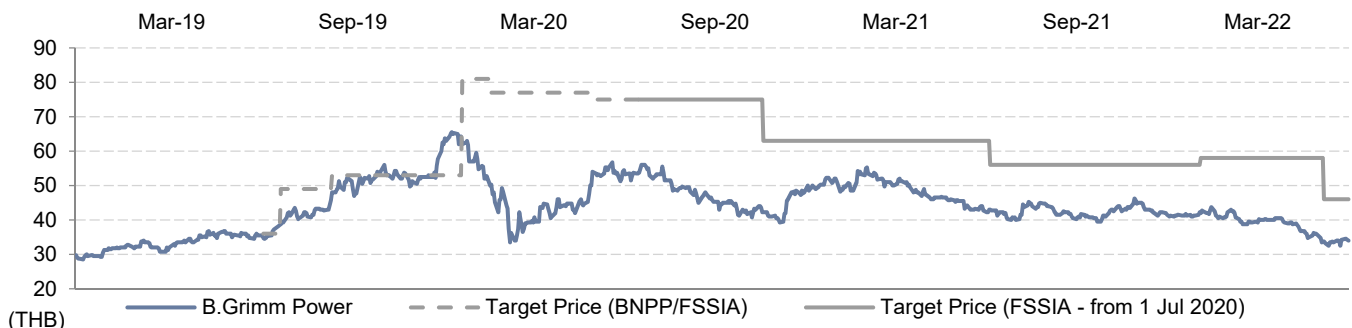
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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)



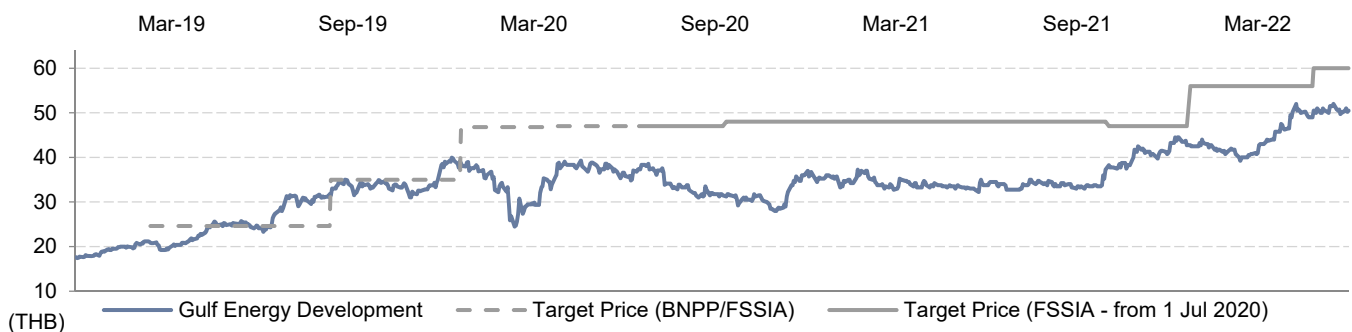
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
13-Aug-2019	BUY	36.00	25-Feb-2020	BUY	77.00	26-Oct-2021	BUY	58.00
28-Aug-2019	BUY	49.00	22-May-2020	BUY	75.00	09-Feb-2022	BUY	46.00
11-Oct-2019	BUY	53.00	15-Oct-2020	BUY	63.00			
31-Jan-2020	BUY	81.00	28-Apr-2021	BUY	56.00			

Suwat Sinsadok, CFA, FRM, ERP started covering this stock from 26-Jun-2020

Price and TP are in local currency

Source: FSSIA estimates

#### Gulf Energy Development (GULF TB)



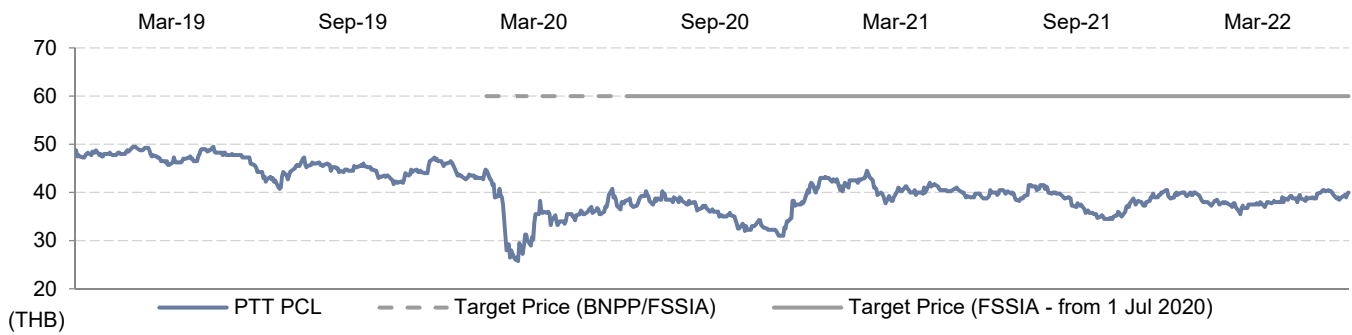
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
08-May-2019	BUY	24.60	22-Apr-2020	BUY	47.00	15-Oct-2021	BUY	56.00
10-Oct-2019	BUY	35.00	11-Sep-2020	BUY	48.00	31-Jan-2022	BUY	60.00
30-Jan-2020	BUY	46.80	06-Aug-2021	BUY	47.00			

Suwat Sinsadok, CFA, FRM, ERP started covering this stock from 30-Jun-2020

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, CFA, FRM, ERP started covering this stock from 12-May-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
B.Grimm Power	BGRIM TB	THB 34.00	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.
Gulf Energy Development	GULF TB	THB 50.50	BUY	The downside risks to our SoTP-based TP on GULF include 1) lower-than-expected demand for electricity in Thailand; 2) a lower crude price; and 3) delays in project commercial operation dates.
PTT PCL	PTT TB	THB 40.00	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 03-Mar-2022 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.