

# B.GRIMM POWER BGRIM TB

## THAILAND / UTILITIES - CONVENTIONAL

# BUY

**UNCHANGED**

### คาดการณ์ผลขาดทุนสุทธิใน 2Q22 จากผลกระทบของอัตราแลกเปลี่ยน

- เราคาดว่ากำไรปกติ 2Q22 จะปรับตัวดีขึ้น q-q เป็น 150 ลบ. จากค่าไฟฟ้าที่ปรับขึ้น (+5.3% q-q) และต้นทุนก๊าซที่ลดลง (-5% q-q)
- เราคาดว่าบริษัท จะรายงานผลขาดทุนสุทธิ 405 ลบ. ใน 2Q22 ส่วนมากจากผลขาดทุนจากอัตราแลกเปลี่ยนจำนวนมากของเงินกู้ที่เป็นเงินเหรียญสหรัฐ ของ BGRIM
- คงแนะนำซื้อที่ราคาเป้าหมาย 44 บาท (SoTP)

### ผลขาดทุนจากอัตราแลกเปลี่ยนจะพลิกกำไรปกติที่ดีขึ้นใน 2Q22 เป็นผลขาดทุนสุทธิ

ในขณะที่เราคาดว่ากำไรปกติของ BGRIM ใน 2Q22 จะปรับตัวดีขึ้น q-q เป็น 150 ลบ. (+341% q-q, -85% y-y) จากค่าไฟฟ้าที่ปรับขึ้น (+5.3% q-q) และต้นทุนก๊าซที่ลดลง (-5% q-q) เราคาดว่าบริษัท จะรายงานผลขาดทุนสุทธิ 405 ลบ. ลดลงจากที่เคยมีกำไรสุทธิ 23 ลบ. ใน 1Q22 และ 1 พัน ลบ. ใน 2Q21 ส่วนมากจากผลขาดทุนจากอัตราแลกเปลี่ยนจำนวนมากจากเงินกู้ที่เป็นเงินเหรียญสหรัฐ ของ BGRIM ซึ่งจะถูกลบในค่าใช้จ่ายดอกเบี้ย

### ราคาขายที่สูงขึ้นเทียบกับต้นทุนก๊าซที่ลดลงใน 2Q22

เราคาดว่า BGRIM จะรายงานกำไรจากการดำเนินงานที่ดีขึ้นใน 2Q22 มาอยู่ที่ 150 ลบ. จาก 1) ค่าไฟฟ้าที่ปรับขึ้นโดยเฉพาะอย่างยิ่งสำหรับผู้ซื้ออุตสาหกรรม (IU) ซึ่งค่าไฟฟ้าอิงกับราคาค่าไฟฟ้าหลักที่ปรับขึ้น 0.23 บาท/kWh q-q หลังค่าเชื้อเพลิง (Ft) ถูกปรับขึ้นเป็น 0.2477 บาท/kWh ในช่วงเดือน พ.ค.-ส.ค. 2022; 2) ต้นทุนก๊าซที่ลดลงเหลือ 425 บาท/mmbtu จาก 442 บาท/mmbtu ใน 1Q21 จากการนำเข้า Spot LNG ที่ลดลงในราคาที่ลดลง q-q ที่ USD28/mmbtu จาก USD30/mmbtu ใน 1Q21; และ 3) ปริมาณขายที่เพิ่มขึ้นให้แก่ กฟผ. จากปัจจัยด้านฤดูกาลและให้แก่ IU จากการฟื้นตัวของความต้องการ อย่างไรก็ตาม เราคาดว่า BGRIM จะรายงานผลขาดทุนสุทธิ 405 ลบ. ส่วนมากจากผลขาดทุนอัตราแลกเปลี่ยนจำนวนมากถึง 0.5 พัน ลบ. จากค่าเงินบาทที่อ่อนตัวเมื่อเทียบกับเงินเหรียญสหรัฐใน 2Q22

### Downside ในด้านต้นทุนก๊าซ (30 บาท/mmbtu?) เทียบกับ Upside จากค่า Ft

ในช่วง 2H22 เราคิดว่ากำไรของ BGRIM จะปรับตัวดีขึ้นอย่างเห็นได้ชัด h-h แม้ว่ามีความเสี่ยงที่ต้นทุนก๊าซอาจปรับขึ้นอีกครั้งจาก 425 บาท/mmbtu ใน 2Q22 เป็น 470 บาท/mmbtu โดยเฉลี่ยในช่วง 2H22 ภายใต้การวิเคราะห์ความเป็นไปได้ในสถานการณ์ที่เลวร้ายที่สุดของเรา ซึ่ง PTT จำเป็นต้องนำเข้า Spot LNG จำนวน 2-3mt เพื่อทดแทนอุปทานก๊าซที่หายไปจากแหล่งเอราวัณในราคาที่สูงขึ้นที่ USD30-40/mmbtu เราคิดว่ากำไรสุทธิของ BGRIM จะมี Downside ไม่เกิน 0.5 พัน ลบ. (ต้นทุนเพิ่ม 3.3 พัน ลบ. h-h ชดเชยกับรายได้ 2.7 พัน ลบ. จากค่าไฟฟ้าที่สูงขึ้น h-h บนสมมติฐานที่ว่าค่า Ft จะปรับขึ้น 0.6866 บาท/kWh ในช่วงเดือน ก.ย.-ธ.ค. 2022)

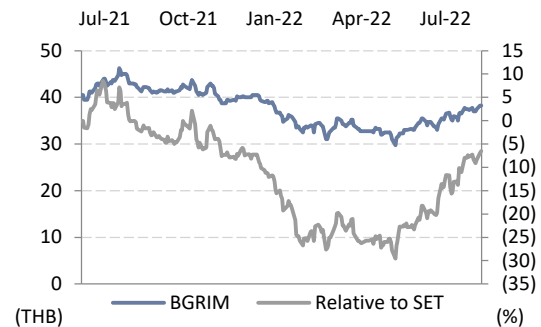
### อัตราส่วนระหว่างความเสี่ยงและผลตอบแทนที่น่าสนใจ

เราแนะนำซื้อที่ราคาเป้าหมาย 44 บาท (SoTP) เราคิดว่า Upside จากค่า Ft ที่เพิ่ม 0.6866 บาท/kWh ในช่วงเดือน ก.ย.-ธ.ค. 2022 น่าจะช่วยชดเชยต้นทุนก๊าซที่อาจเพิ่ม 30 บาท/mmbtu เป็น 470 บาท/mmbtu จากการนำเข้า Spot LNG ที่เพิ่มขึ้น แรงกดดันต่ออัตราค่าไฟของ BGRIM น่าจะบรรเทาได้จากค่า Ft ที่สูงขึ้นและการเริ่มดำเนินงานของโรงไฟฟ้าขนาดเล็กใหม่จำนวน 5 แห่ง

TARGET PRICE	THB44.00
CLOSE	THB38.25
UP/DOWNSIDE	+15.0%
PRIOR TP	THB44.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+4.5%

### 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 (%)	-	129.6	84.3	47.7
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. (%)	-	-	-	-
EPS growth (%)	(6.8)	50.2	54.9	5.0
Core P/E (x)	40.9	27.2	17.6	16.7
Dividend yield (%)	0.7	1.3	2.6	2.6
EV/EBITDA (x)	14.7	11.5	9.6	9.4
Price/book (x)	3.4	3.1	2.7	2.5
Net debt/Equity (%)	166.4	162.9	149.0	139.5
ROE (%)	8.6	11.8	16.4	15.5



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	4.8	19.5	(6.1)
Relative to country (%)	5.8	28.4	(6.6)
Mkt cap (USD m)	2,716		
3m avg. daily turnover (USD m)	11.5		
Free float (%)	31		
Major shareholder	B. Grimm Power (Singapore) Pte Ltd (34%)		
12m high/low (THB)	46.50/29.75		
Issued shares (m)	2,606.90		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 27 กรกฎาคม 2022

### 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.

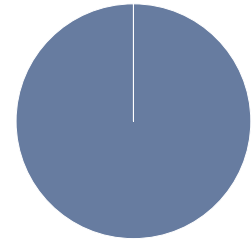
### Company profile

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)

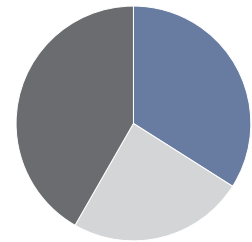
- Electricity generation - 100.0 %



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 at its power plants, rising demand for electricity in Thailand and Vietnam, and higher crude oil prices are all 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
Aug 2022	2Q22 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

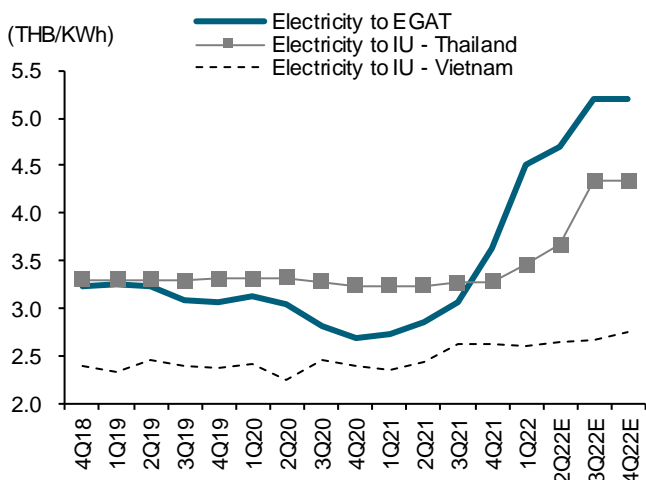


## Exhibit 1: 2Q22 results preview

	2Q21	1Q22	2Q22E		1H21	1H22E	Change	2022E	
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)
<b>Revenue</b>	<b>11,475</b>	<b>14,758</b>	<b>15,263</b>	<b>3.4</b>	<b>33.0</b>	<b>21,928</b>	<b>30,021</b>	<b>36.9</b>	<b>71,472</b>
Operating costs	(7,951)	(12,586)	(12,977)	3.1	63.2	(15,110)	(25,563)	69.2	(54,950)
<b>EBITDA</b>	<b>3,524</b>	<b>2,172</b>	<b>2,286</b>	<b>5.2</b>	<b>(35.1)</b>	<b>6,818</b>	<b>4,458</b>	<b>(34.6)</b>	<b>16,522</b>
EBITDA margin (%)	30.7	14.7	15.0	nm	nm	31.1	14.8	(52.2)	23.1
Depn & amort.	(1,318)	(1,207)	(1,214)	0.6	(7.9)	(2,630)	(2,421)	(7.9)	(5,623)
EBIT	2,206	965	1,072	11.1	(51.4)	4,188	2,037	(51.4)	10,899
Interest expense	(945)	(860)	(1,235)	43.6	30.6	(2,283)	(2,095)	(8.2)	(4,262)
Interest & invt inc	-	-	-	nm	nm	-	-	nm	-
Other income	45	51	50	(2.3)	11.4	72	101	39.7	200
Associates' contrib	(9)	(3)	(5)	62.3	(45.6)	41	(8)	nm	224
Exceptionals	302	(34)	(307)	nm	nm	537	(341)	nm	-
<b>Pretax profit</b>	<b>1,598</b>	<b>119</b>	<b>(425)</b>	<b>nm</b>	<b>nm</b>	<b>2,556</b>	<b>(306)</b>	<b>nm</b>	<b>7,061</b>
Tax	(128)	(29)	20	nm	nm	(237)	(29)	(87.9)	(359)
Tax rate (%)	8.0	24.1	4.7	nm	nm	9.3	(9.4)	nm	5.1
Minority interests	(449)	(67)	-	nm	nm	(686)	(67)	(90.2)	(3,038)
<b>Net profit</b>	<b>1,022</b>	<b>23</b>	<b>(405)</b>	<b>nm</b>	<b>nm</b>	<b>1,633</b>	<b>(402)</b>	<b>nm</b>	<b>3,663</b>
Non-recurring	11	(11)	(555)	nm	nm	(24)	(586)	nm	-
<b>Core net profit</b>	<b>1,011</b>	<b>34</b>	<b>150</b>	<b>341.2</b>	<b>(85.2)</b>	<b>1,657</b>	<b>184</b>	<b>(88.9)</b>	<b>3,663</b>
EPS (THB)	0.39	0.01	(0.16)	nm	nm	0.63	(0.15)	nm	1.41
Core EPS (THB)	0.39	0.01	0.06	341.2	(85.2)	0.64	0.07	(88.9)	1.41

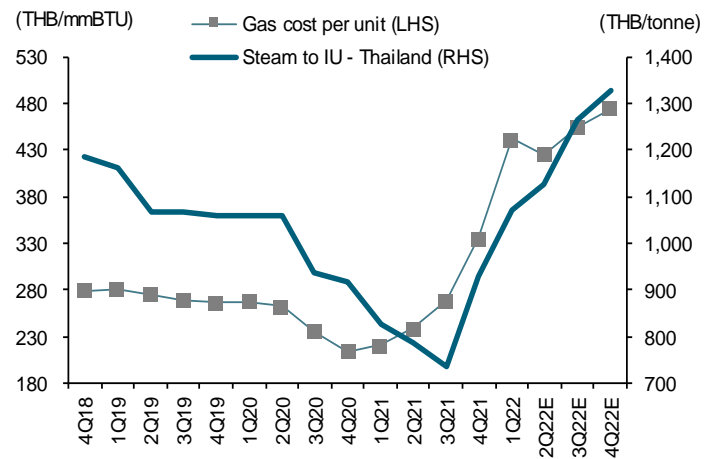
Sources: BGRIM; FSSIA estimates

## Exhibit 2: Prices of electricity sold to EGAT and IUs in Thailand and Vietnam



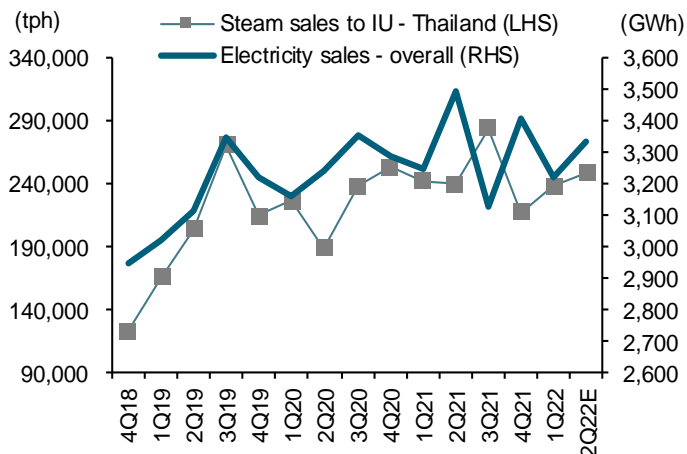
Sources: BGRIM; FSSIA estimates

## Exhibit 3: Gas cost per unit vs price of steam sold to IUs



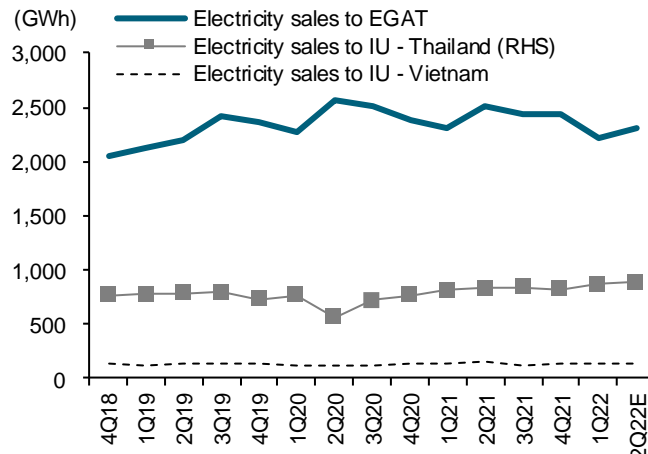
Source: BGRIM; FSSIA estimates

**Exhibit 4: Total electricity sales vs steam sales to IUs**



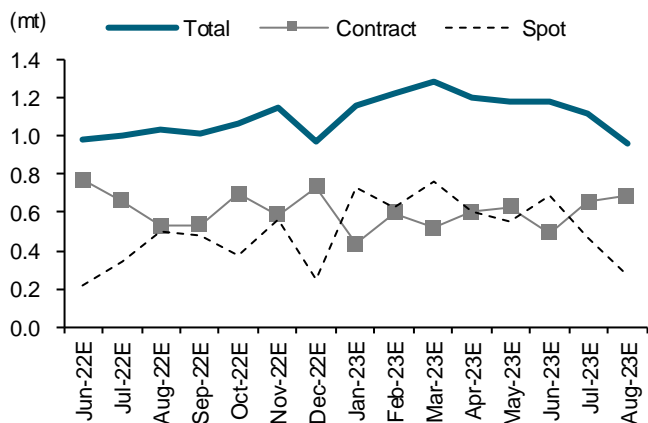
Sources: BGRIM; FSSIA estimates

**Exhibit 5: Electricity sales to EGAT and IUs**



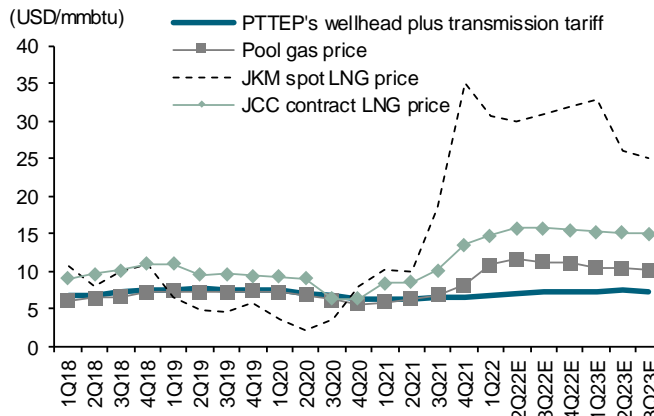
Sources: BGRIM; FSSIA estimates

**Exhibit 6: Projections of monthly LNG import volumes**



Source: ERC

**Exhibit 7: PTTEP's gas price, Thailand's pool gas price, JKM spot LNG price, and JCC contract LNG price (quarterly)**



Sources: PTTEP; PTT; FSSIA estimates

**Exhibit 8: Potential changes in the electricity tariff for Sep-Dec 2022**

	Electricity tariff		
	(THB/kWh)	Change (THB kWh)	Change (%)
<b>Electricity tariff (current)</b>	<b>4.0310</b>		
Case 4: EGAT's proposals (energy cost A + 4-month breakeven D)	6.1530	2.1220	52.6
Case 1 (energy cost A + EGAT's 1-yr breakeven B)	5.1746	1.1436	28.4
Case 2 (energy cost A + EGAT's 2-year breakeven C)	4.9461	0.9151	22.7
Case 3 (energy cost A only)	4.7176	0.6866	17.0
Case 5 (partial energy cost A) (FSSIA's base case)	4.4310	0.4000	9.92

Source: [ERC](#)

## 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>38.1</b>	<b>40.9</b>	<b>27.2</b>	<b>17.6</b>	<b>16.7</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)	45.9	43.8	27.2	17.6	16.7
Dividend yield (%)	1.0	0.7	1.3	2.6	2.6
Price/book (x)	3.6	3.4	3.1	2.7	2.5
Price/tangible book (x)	6.9	6.3	5.3	4.3	3.8
EV/EBITDA (x) **	13.3	14.7	11.5	9.6	9.4
EV/EBITDA @ target price (x) **	14.5	16.0	12.4	10.3	10.0
EV/invested capital (x)	1.6	1.6	1.5	1.4	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 2021

EXCELLENT LEVEL – Score range 90-100										
AAV	BCPG	CPALL	GCAP	K	MSC	PLANET	SAMART	SPI	THRE	TVD
ADVANC	BDMS	CPF	GFPT	KBANK	MST	PLAT	SAMTEL	SPRC	THREL	TVI
AF	BEM	CPI	GGC	KCE	MTC	PORT	SAT	SPVI	TIPCO	TVO
AH	BGC	CPN	GLAND	KKP	MVP	PPS	SC	SSSC	TISCO	TWPC
AIRA	BGRIM	CRC	GLOBAL	KSL	NCL	PR9	SCB	SST	TK	U
AKP	BIZ	CSS	GPI	KTB	NEP	PREB	SCC	STA	TKT	UAC
AKR	BKI	DDD	GPSC	KTC	NER	PRG	SCCC	STEC	TMT	UBIS
ALT	BOL	DELTA	GRAMMY	LALIN	NKI	PRM	SCG	STI	TNDT	UV
AMA	BPP	DEMCO	GULF	LANNA	NOBLE	PROUD	SCGP	SUN	TNITY	VGI
AMATA	BRR	DRT	GUNKUL	LH	NSI	DRS	SCM	SUSCO	TOA	VIH
AMATAV	BTS	DTAC	HANA	LHFG	NVD	PSL	SDC	SUTHA	TOP	WACOAL
ANAN	BTW	DUSIT	HARN	LIT	NWR	PTG	SEAFCO	SVI	TPBI	WAVE
AOT	BWG	EA	HMPRO	LPN	NYT	PTT	SEAOIL	SYMC	TQM	WHA
AP	CENTEL	EASTW	ICC	MACO	OISHI	PTTEP	SE-ED	SYNTEC	TRC	WHAUP
ARIP	CFRESH	ECF	ICHI	MAJOR	OR	PTTGC	SELIC	TACC	TRU	WICE
ARROW	CHEWA	ECL	III	MAKRO	ORI	PYLON	SENA	TASCO	TRUE	WINNER
ASP	CHO	EE	ILINK	MALEE	OSP	Q-CON	SHR	TCAP	TSC	ZEN
AUCT	CIMBT	EGCO	ILM	MBK	OTO	QH	SIRI	TEAMG	TSR	
AWC	CK	EPG	INTUCH	MC	PAP	QTC	SIS	TFMAMA	TSTE	
AYUD	CKP	ETC	IP	MCOT	PCSGH	RATCH	SITHAI	TGH	TSTH	
BAFS	CM	FPI	IRPC	METCO	PDG	RS	SMK	THANA	TTA	
BANPU	CNT	FPT	ITEL	MFEC	PDJ	S	SMPC	THANI	TTB	
BAY	COM7	FSMART	IVL	MINT	PG	S & J	SNC	THCOM	TTCL	
BBL	COMAN	GBX	JSP	MONO	PHOL	SAAM	SONIC	THG	TTW	
BCP	COTTO	GC	JWD	MOONG	PLANB	SABINA	SPALI	THIP	TU	
VERY GOOD LEVEL – Score range 80-89										
2S	ASIMAR	CHOW	FLOYD	IT	LOXLEY	OCC	RPC	SKY	TCC	TVT
7UP	ASK	CI	FN	ITD	LRH	OGC	RT	SLP	TCMC	TWP
ABICO	ASN	CIG	FNS	J	LST	PATO	RWI	SMIT	TEAM	UEC
ABM	ATP30	CMC	FORTH	JAS	M	PB	S11	SMT	TFG	UMI
ACE	B	COLOR	FSS	JCK	MATCH	PICO	SA	SNP	TFI	UOBKH
ACG	BA	CPL	FTE	JCKH	MBAX	PIMO	SAK	SO	TIGER	UP
ADB	BAM	CPW	FVC	JMART	MEGA	PJW	SALEE	SORKON	TITLE	UPF
AEONTS	BC	CRD	GEL	JMT	META	PL	SAMCO	SPA	TKN	UPOIC
AGE	BCH	CSC	GENCO	KBS	MFC	PM	SANKO	SPC	TKS	UTP
AHC	BEC	CSP	GJS	KCAR	MGT	PMTA	SAPPE	SPCG	TM	VCOM
AIT	BEYOND	CWT	GYT	KEX	MICRO	PPP	SAWAD	SR	TMC	VL
ALL	BFIT	DCC	HEMP	KGI	MILL	PPPM	SCI	SRICHA	TMD	VPO
ALLA	BJC	DCON	HPT	KIAT	MITSIB	PRIME	SCN	SSC	TMI	VRANDA
ALUCON	BJCHI	DHOUSE	HTC	KISS	MK	PRIN	SCP	SSF	TMILL	WGE
AMANAH	BLA	DOD	HYDRO	KOOL	MODERN	PRINC	SE	STANLY	TNL	WIJK
AMARIN	BR	DOHOME	ICN	KTIS	MTI	PSG	SFLEX	STGT	TNP	WP
APCO	BROOK	DV8	IFS	KUMWEL	NBC	PSTC	SFP	STOWER	TOG	XO
APCS	CBG	EASON	IMH	KUN	NCAP	PT	SFT	STPI	TPA	XPG
APURE	CEN	EFORL	IND	KWC	NCH	QLT	SGF	SUC	TPAC	YUASA
AQUA	CGH	ERW	INET	KWM	NETBAY	RBF	SIAM	SWC	TPCS	
ASAP	CHARAN	ESSO	INSET	L&E	NEX	RCL	SINGER	SYNEX	TPS	
ASEFA	CHAYO	ESTAR	INSURE	LDC	NINE	RICHY	SKE	TAE	TRITN	
ASIA	CHG	ETE	IRC	LEO	NRF	RML	SKN	TAKUNI	TRT	
ASIAN	CHOTI	FE	IRCP	LHK	NTV	ROJNA	SKR	TBSP	TSE	
GOOD LEVEL – Score range 70-79										
A	BGT	CITY	GIFT	JTS	MDX	PK	SGP	SUPER	TQR	YGG
AI	BH	CMAN	GLOCON	JUBILE	MJD	PLE	SICT	SVOA	TTI	ZIGA
AIE	BIG	CMO	GREEN	KASET	MORE	PPM	SIMAT	TC	TYCN	
AJ	BLAND	CMR	GSC	KCM	MUD	PRAKIT	SISB	TCCC	UKEM	
ALPHAX	BM	CPT	GTB	KK	NC	PRAPAT	SK	THMUI	UMS	
AMC	BROCK	CRANE	HTECH	KKC	NDR	PRECHA	SMART	TNH	UNIQ	
APP	BSBM	CSR	HUMAN	KWI	NFC	PTL	SOLAR	TNR	UPA	
AQ	BSM	D	IHL	KYE	NNCL	RJH	SPACK	TOPP	UREKA	
ARIN	BTNC	EKH	IIG	LEE	NOVA	RP	SPG	TPCH	VIBHA	
AS	BYD	EMC	INGRS	LPH	NPK	RPH	SQ	TPIPL	W	
AU	CAZ	EP	INOX	MATI	NUSA	RSP	SSP	TIPIP	WIN	
B52	CCP	F&D	JAK	M-CHAI	PAF	SABUY	STARK	TPLAS	WORK	
BEAUTY	CGD	FMT	JR	MCS	PF	SF	STC	TPOLY	WPH	

**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

Sources: Thai Institute of Directors Association (IOD); FSSIA's compilation; data as of 26 October 2021



## Anti-corruption Progress Indicator

CERTIFIED										
2S	BCH	CPALL	GC	K	MFC	PE	QLT	SNP	THCOM	TU
7UP	BCP	CPF	GCAP	KASET	MFEC	PG	QTC	SORKON	THIP	TVD
ADVANC	BCPG	CPI	GEL	KBANK	MILL	PHOL	RATCH	SPACK	THRE	TVI
AF	BE8	CPN	GFPT	KBS	MINT	PK	RML	SPALI	THREL	TVO
AI	BEYOND	CSC	GGC	KCAR	MONO	PL	RWI	SPC	TIDLOR	TWPC
AIE	BGC	DCC	GJS	KCE	MOONG	PLANB	S & J	SPI	TIPCO	U
AIRA	BGRIM	DELTA	GPI	KGI	MSC	PLANET	SAAM	SPRC	TISCO	UBE
AKP	BJCHI	DEMCO	GPSC	KKP	MST	PLAT	SABINA	SRICHA	TKS	UBIS
ALPHAX	BKI	DIMET	GSTEEL	KSL	MTC	PM	SAPPE	SSF	TKT	UEC
AMA	BLA	DRT	GUNKUL	KTB	MTI	PPP	SAT	SSP	TMD	UKEM
AMANAHA	BPP	DTAC	HANA	KTC	NBC	PPPM	SC	SSSC	TMILL	UOBKH
AMATA	BROOK	DUSIT	HARN	KWC	NEP	PPS	SCB	SST	TMT	UPF
AMATAV	BRR	EA	HEMP	KWI	NINE	PR9	SCC	STA	TNITY	UV
AP	BSBM	EASTW	HENG	L&E	NKI	PREB	SCCC	STOWER	TNL	VGI
APCS	BTS	ECL	HMPRO	LANNA	NMG	PRG	SCG	SUSCO	TNP	VIH
AQUA	BWG	EGCO	HTC	LH	NNCL	PRINC	SCN	SVI	TNR	WACOAL
ARROW	CEN	EP	ICC	LHFG	NOBLE	PRM	SEAOIL	SYMC	TOG	WHA
AS	CENTEL	EPG	ICHI	LHK	NOK	PROS	SE-ED	SYNTEC	TOP	WHAUP
ASIAN	CFRESH	ERW	IFEC	LPN	NSI	PSH	SELIC	TAE	TOPP	WICE
ASK	CGH	ESTAR	IFS	LRH	NWR	PSL	SENA	TAKUNI	TPA	WIJK
ASP	CHEWA	ETE	ILINK	M	OCC	PSTC	SGP	TASCO	TPP	XO
AWC	CHOTI	FE	INET	MAKRO	OGC	PT	SINGER	TBSP	TRU	ZEN
AYUD	CHOW	FNS	INSURE	MALEE	ORI	PTG	SIRI	TCAP	TRUE	
B	CIG	FPI	INTUCH	MATCH	PAP	PTT	SITHAI	TCMC	TSC	
BAFS	CIMBT	FPT	IRC	MBAX	PATO	PTTEP	SKR	TFG	TSTE	
BAM	CM	FSMART	IRPC	MBK	PB	PTTGC	SMIT	TFI	TSTH	
BANPU	CMC	FSS	ITEL	MC	PCSGH	PYLON	SMK	TFMAMA	TTA	
BAY	COM7	FTE	IVL	MCOT	PDG	Q-CON	SMPC	TGH	TTB	
BBL	COTTO	GBX	JKN	META	PDJ	QH	SNC	THANI	TTCL	
DECLARED										
AJ	CHG	DDD	ETC	JR	MAJOR	NUSA	RS	SSS	TQM	YUASA
ALT	CPL	DHOUSE	FLOYD	JTS	NCAP	NYT	SAK	STECH	TSI	ZIGA
APCO	CPR	DOHOME	GULF	KEX	NCL	OR	SCGP	STGT	VARO	
B52	CPW	ECF	III	KUMWEL	NOVA	PIMO	SCM	TKN	VCOM	
BEC	CRC	EKH	INOX	LDC	NRF	PLE	SIS	TMI	VIBHA	

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 26 October 2021) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Sources: 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

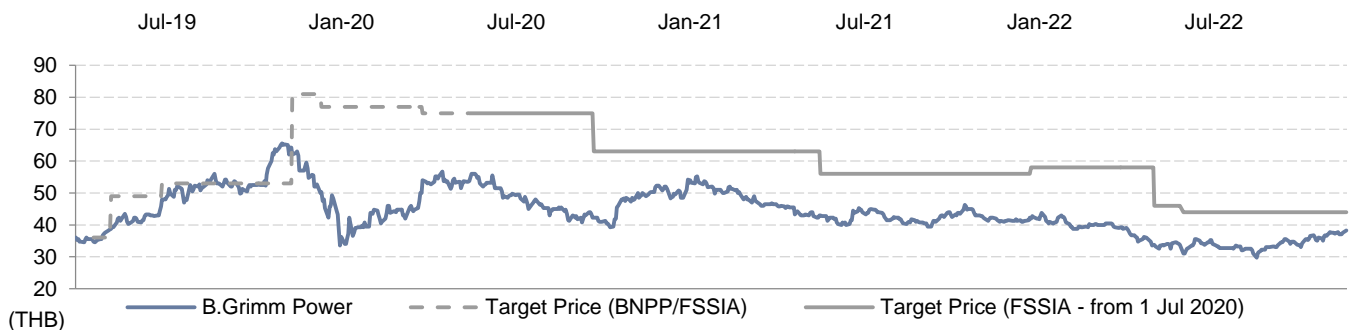
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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	04-Mar-2022	BUY	44.00
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

Company	Ticker	Price	Rating	Valuation & Risks
B.Grimm Power	BGRIM TB	THB 38.25	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.

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 Finasia 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 Finasia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 26-Jul-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.