

B.GRIMM POWER BGRIM TB

THAILAND / UTILITIES - CONVENTIONAL

BUY

UNCHANGED

TARGET PRICE	THB46.00
CLOSE	THB41.50
UP/DOWNSIDE	+10.8%
PRIOR TP	THB41.00
CHANGE IN TP	+12.2%
TP vs CONSENSUS	+5.1%

Ft hikes overshadow high gas cost

- We project BGRIM to post a stronger 4Q22 core NP of THB158m, up from THB25m in 3Q22 but down from THB212m in 4Q21.
- We believe the Ft hike should more than offset the high gas price in 4Q22-2023.
- Maintain Buy and raise our TP to THB46.

Stronger gross margin

We turn more bullish on BGRIM's net profit (NP), as we expect its earnings to rebound gradually in 4Q22 onwards, driven by the fuel tariff (Ft) hike by THB0.6866/kWh for Sep-Dec 2022 and by THB0.6101/kWh for Jan-Apr 2023. We believe this should more than offset the high gas price in 4Q22-2023 as we project a gas cost for BGRIM of THB470/mmbtu in 4Q22 before it rises again to THB530/mmbtu in 1Q23 and stays high due to rising supply risks and demand growth.

Global spot LNG price falls to a new nine-month low

According to the Energy Information Administration (EIA), working gas storage was at a high level in the fall, and so far, the winter has been less cold than expected. We believe this has led to the sharp drop in the global spot LNG price by over 3x within only two months since its peak in Aug-22. The benchmark TTF gas price for Feb-23 has also plunged from €352/MWh in Aug-22 to €77/MWh on 2 Jan-23. Meanwhile, JKM spot LNG futures for Southeast Asia for Feb-23 plunged from USD80/mmbtu in Aug-22 to USD29.5/mmbtu on 30 Dec-22.

Rebound in 4Q22 likely

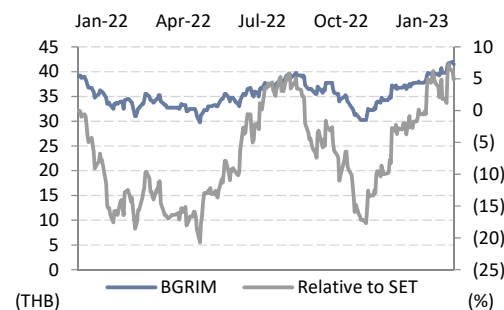
We project BGRIM to post a stronger 4Q22 core NP of THB158m, up from THB25m in 3Q22 but down from THB212m in 4Q21. Including an FX gain of THB0.6b, BGRIM should see a net profit of THB801m in 4Q22, up from a net loss of THB529m in 3Q22 and a NP of THB195m in 4Q21. Key drivers are the lower gas cost at THB470/mmbtu, down from THB561/mmbtu in 3Q22 but up from THB337/mmbtu in 4Q21, and the higher electricity tariff for Sep-Dec 2022.

Raise TP to THB46

We raise our EPS to a positive THB0.04 due to the lower-than expected gas cost, as we cut our gas price assumptions by 6% for 2022. For 2023-24, we raise our EPS forecast by 13.4% for 2023 and 10.4% for 2024 as we lift our average tariff assumption by 22.4% for 2023 and 5.8% for 2024, despite our 6.5% higher gas price assumptions in 2023, and maintain our current gas price assumption for 2024. We lift our SoTP-based TP from THB41 to THB46 to reflect our higher EPS forecast. We think the downside for BGRIM's share price is now limited as the Ft hike should more than offset the high gas price in 4Q22-2023.

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	46,628	77,888	104,958	100,610
Net profit	2,276	101	2,504	3,291
EPS (THB)	0.87	0.04	0.96	1.26
vs Consensus (%)	-	(29.8)	0.4	(2.6)
EBITDA	12,160	11,125	17,491	19,104
Core net profit	2,440	364	2,504	3,291
Core EPS (THB)	0.94	0.14	0.96	1.26
Chg. In EPS est. (%)	-	nm	13.4	10.4
EPS growth (%)	(6.8)	(85.1)	588.3	31.4
Core P/E (x)	44.3	297.4	43.2	32.9
Dividend yield (%)	1.0	0.1	1.2	1.4
EV/EBITDA (x)	15.4	18.1	12.3	12.0
Price/book (x)	3.7	3.8	3.5	3.3
Net debt/Equity (%)	166.4	198.6	190.2	185.8
ROE (%)	8.6	1.2	8.3	10.2



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	9.9	35.0	6.4
Relative to country (%)	5.5	25.3	4.2
Mkt cap (USD m)	3,226		
3m avg. daily turnover (USD m)	12.9		
Free float (%)	31		
Major shareholder	B. Grimm Power (Singapore) Pte Ltd (34%)		
12m high/low (THB)	42.25/29.75		
Issued shares (m)	2,606.90		

Sources: Bloomberg consensus; FSSIA estimates



Siriluck Pinthusoonthorn

siriluck.pin@fssia.com
+66 2611 3562

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.

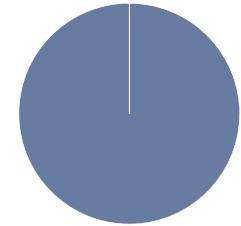
Company profile

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.bgrimmpower.com

Principal activities (revenue, 2021)

■ Electricity generation - 100.0 %



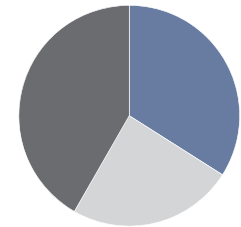
Source: B.Grimm Power

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
Feb 2023	2022 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)	110	100	100
Average tariff (THB/kWh)	4.09	4.70	4.40
Gas price (THB/mmbtu)	471	480	427

Source: FSSIA estimates

Earnings sensitivity

- Ceteris paribus, for every THB1/mmbtu increase in gas price, we estimate 2023 earnings would decline THB18m, and vice versa.
- Ceteris paribus, for every THB0.01/kWh increase in the fuel tariff, we estimate 2023 earnings would increase by THB23m, and vice versa.

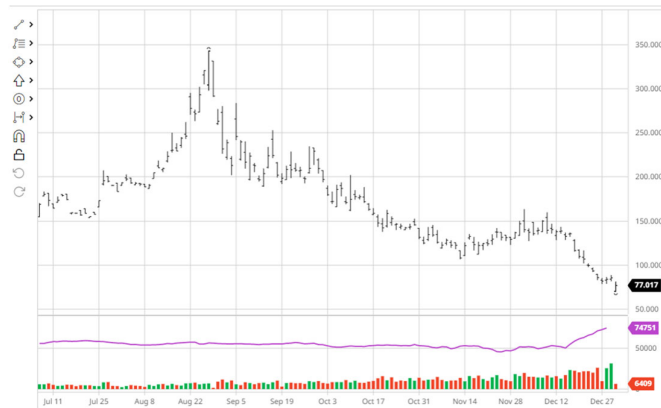
Source: FSSIA estimates

Lower gas cost, higher earnings

In past years, BGRIM, as the largest SPP operator in Thailand, has been hit hard by the sharp rise in the gas cost, with the gross margins for its SPPs plunging markedly into deeply negative territory since Oct-21.

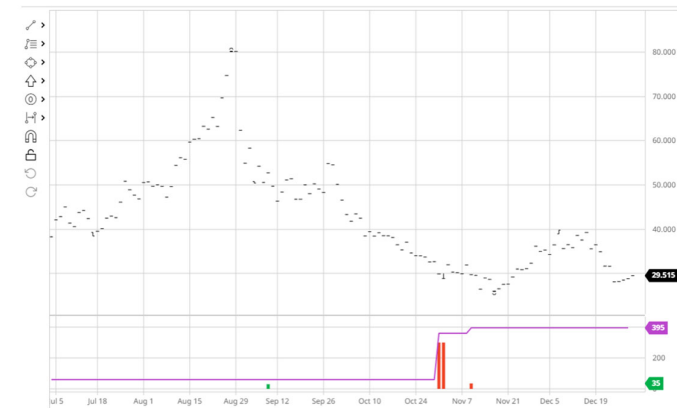
According to the EIA, we see that working gas storage has increased to high levels ahead of the winter season. Fortunately, the winter has been less cold than expected amid sluggish demand which has led to a supply surplus. We believe this is the reason for the sharp drop in the global spot LNG price by over 3x within only two months since its peak in Aug-22. The benchmark TTF gas price for Feb-23 has also plunged from €352/MWh in Aug-22 to €77/MWh on 2 Jan-23. Meanwhile, the JKM spot LNG futures for Southeast Asia for Feb-23 plunged from USD80/mmbtu in Aug-22 to USD29.5/mmbtu on 30 Dec-22.

Exhibit 1: Dutch TTF gas futures Feb-23 (TGG23)



Source: [Barchart.com](https://www.barchart.com)

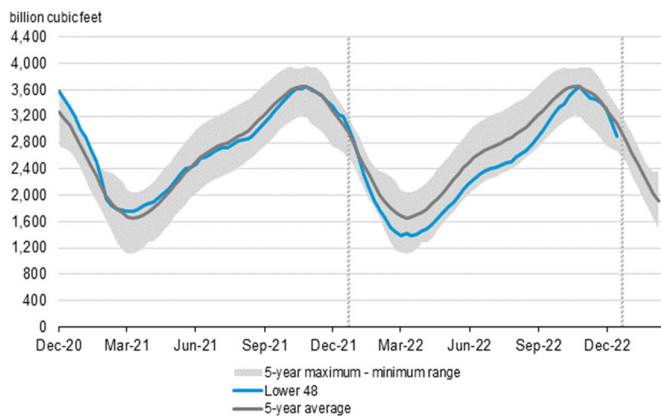
Exhibit 2: Spot LNG swap futures for Southeast Asia Dec-22 (JKM22)



Source: [Barchart.com](https://www.barchart.com)

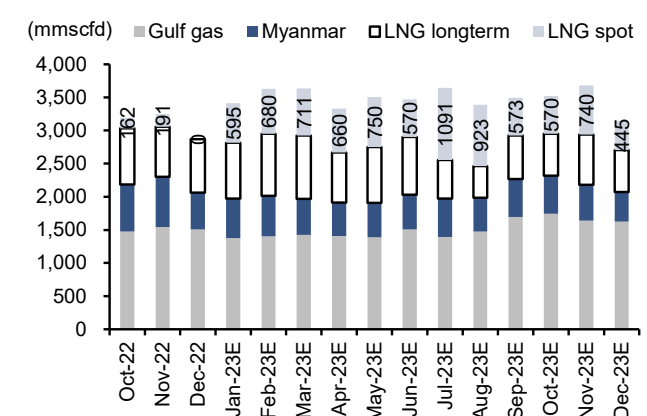
We expect the gas cost for BGRIM to decline substantially from THB560/mmbtu in 3Q22 to THB470/mmbtu in 4Q22 before rising again to THB530/mmbtu in 1Q23. In 2023, we believe energy costs for power generation should stay high due to rising supply risks and demand growth.

Exhibit 3: Working gas storage



Source: EIA

Exhibit 4: Natural gas volume breakdown by source



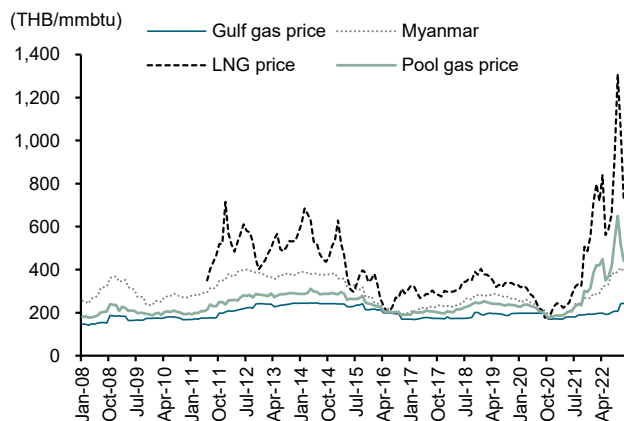
Source: ERC

The selling prices of BGRIM’s electricity sold to IUs, which are directly linked to the national power grid price, should remain high throughout 2023 as we project the prices of oil, gas, and coal – the key fuels for Thailand’s power generation – to remain high into 2023.

On 29 Dec-22, the Energy Regulatory Commission (ERC) announced that the non-household Ft would rise by only THB0.6149/kWh, down from the previously announced rate of THB0.9701/kWh, bringing the average electricity tariff down to THB5.33/kWh from the previous THB5.69/kWh.

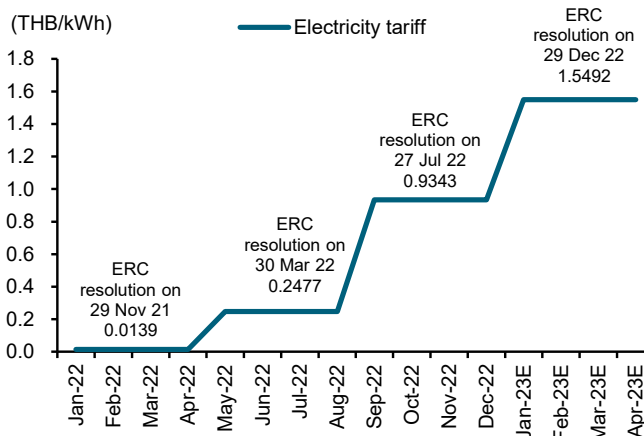
We believe the gross margin (tariff minus energy cost) for SPPs’ sales volumes for electricity and steam sold to industrial users (IUs) in Thailand, which normally accounts for 24%-35% of total revenue, should improve as the increase in the Ft by THB0.6866/kWh for Sep-Dec 2022 and by THB0.6101/kWh for Jan-Apr 2023 should more than offset the higher gas cost.

Exhibit 5: Pool gas price breakdown



Source: EPPO

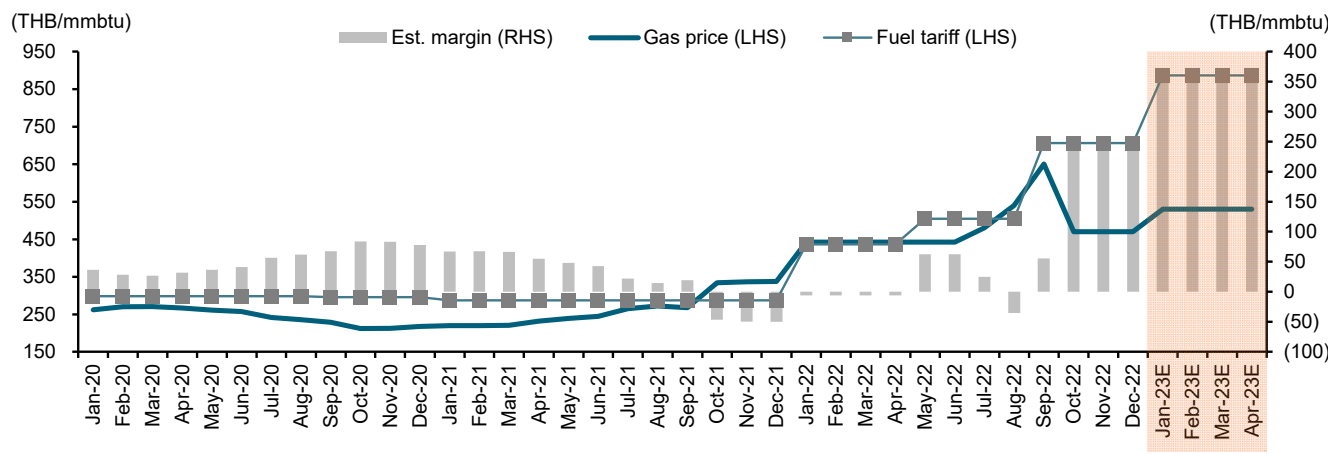
Exhibit 6: Electricity tariff hike



Source: ERC

We project BGRIM to post a stronger 4Q22 core NP of THB158m, up from THB25m in 3Q22 but down from THB212m in 4Q21. Including the FX gain of THB0.6b, BGRIM should see a net profit of THB801m in 4Q22, up from a net loss of THB529m in 3Q22 and a NP of THB195m in 4Q21.

Exhibit 7: SPPs’ estimated margins vs the gas price and their tariff rates



Sources: BGRIM, ERC, FSSIA estimates

The key driver for the improved earnings is a stronger gross margin due to 1) the sharp drop in the gas cost to THB470/mmbtu, down from THB561/mmbtu in 3Q22 but up from THB337/mmbtu in 4Q21 due to higher volumes of imported spot LNG; and 2) the higher electricity tariff due to the Ft hike by THB0.6866/kWh for Sep-Dec 2022.

Exhibit 8: 4Q22 results preview

	4Q21	3Q22	4Q22E		2021	2022E	Change	
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Revenue	12,986	18,383	30,071	63.6	131.6	46,628	77,888	67.0
Operating costs	(10,491)	(15,858)	(26,160)	65.0	149.4	(34,469)	(66,763)	93.7
EBITDA	2,495	2,525	3,912	54.9	56.8	12,160	11,125	(8.5)
<i>EBITDA margin (%)</i>	19.2	13.7	(0.8)	<i>nm</i>	<i>nm</i>	26.1	14.3	<i>nm</i>
Depn & amort.	(1,204)	(1,296)	(1,890)	45.8	56.9	(5,139)	(5,623)	9.4
EBIT	1,291	1,229	2,022	64.5	56.6	7,021	5,501	(21.6)
Interest expense	(784)	(2,178)	447	(120.5)	(157.0)	(4,293)	(4,262)	(0.7)
Interest & invt inc	-	-	-	<i>nm</i>	<i>nm</i>	-	-	<i>nm</i>
Other income	58	624	(278)	(144.6)	(578.5)	352	463	31.5
Associates' contrib	(11)	(250)	497	(299.0)	(4,703.3)	44	224	408.1
Exceptionals	(55)	40	(1,240)	(3,222.5)	2,135.2	592	(1,043)	(276.1)
Pretax profit	498	(535)	1,447	(370.4)	190.3	3,715	883	(76.2)
Tax	(6)	(116)	110	(195.3)	(1,971.4)	(298)	(36)	(87.9)
<i>Tax rate (%)</i>	1.2	(21.6)	30.0	<i>nm</i>	<i>nm</i>	8.0	4.1	<i>nm</i>
Minority interests	(297)	121	(756)	(723.7)	154.4	(1,141)	(746)	(34.6)
Net profit	195	(529)	801	(251.3)	310.0	2,276	101	(95.6)
Non-recurring	(17)	(554)	643	(216.0)	(3,947.4)	(164)	(263)	60.1
Core net profit	212	25	158	531.0	(25.6)	2,440	364	(85.1)
EPS (THB)	0.07	(0.20)	0.31	(251.3)	310.0	0.87	0.04	(95.6)
Core EPS (THB)	0.08	0.01	0.06	531.0	(25.6)	0.94	0.14	(85.1)

Sources: BGRIM; FSSIA estimates

EPS and TP revisions

For 2022, we raise our EPS to a positive THB0.04 due to the lower-than expected gas cost, as we cut our gas price assumptions by 6%. We raise our EPS forecast by 13.4% for 2023 and 10.4% for 2024 as we lift our average tariff assumption by 22.4% for 2023 and 5.8% for 2024, despite our 6.5% higher gas price assumption in 2023, and maintain our gas price assumption in 2024.

We lift our SoTP-based TP from THB41 to THB46 to reflect our higher EPS forecast. We think the downside for BGRIM's share price is now limited. We believe BGRIM is a strong contender for growth based on the mixed bag of global commodity prices, Thailand's electricity tariff hikes, and its strategy of growing its capacity both organically (seven new SPPs) and inorganically (M&As).

Exhibit 9: Key changes in 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	77,888	104,958	100,610	79,099	93,457	95,814	(1.5)	12.3	5.0
Gross profit	13,919	21,256	22,826	12,652	17,952	20,510	10.0	18.4	11.3
Operating profit	5,501	11,279	12,780	4,191	8,387	10,749	31.3	34.5	18.9
Net profit	101	2,504	3,291	(881)	2,209	2,981	(111.5)	13.4	10.4
EPS (THB/shr)	0.04	0.96	1.26	(0.34)	0.85	1.14	nm	13.4	10.4
Key assumptions									
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)	110	100	100	110	100	100	0.0	0.0	0.0
Average tariff (THB/kWh)	4.09	4.70	4.40	4.09	3.84	4.16	0.0	22.4	5.8
Gas price (THB/mmbtu)	471	480	427	501	451	427	(6.1)	6.5	0.0

Note: Change of items in percentage terms are represented in ppt change.

Sources: BGRIM; FSSIA estimates

Exhibit 10: SoTP-based TP

Cost of equity assumptions		(%)	Cost of debt assumptions		(%)	
Risk-free rate		2.3	Pretax cost of debt		4.2	
Market risk premium		8.0	Marginal tax rate		20.0	
Stock beta		0.60				
Cost of equity, Ke		7.1	Net cost of debt, Kd		3.4	
Weight applied		26.2	Weight applied		73.8	
WACC (%)		4.3				
DCF valuation estimate		MW	%	Equity Capacity	THB/share	Comments
SPP	Amata Nakorn (ABP1-5)	732	38	277	7.2	WACC 4.3%, Risk-free rate 2.3%, Risk premium 8%
	ABP1&2 and BPLC1	420	51	214	6.3	WACC 4.3%, Risk-free rate 2.3%, Risk premium 8%
	Amata City (ABPR1-5)	646	58	375	28.8	WACC 4.3%, Risk-free rate 2.3%, Risk premium 8%
	Leam Chabang (BPLC1-2)	159	100	159	3.0	WACC 4.3%, Risk-free rate 2.3%, Risk premium 8%
	Bangkadi (BIP1-2)	230	74	170	2.7	WACC 4.3%, Risk-free rate 2.3%, Risk premium 8%
	SPP1	124	100	124	6.8	WACC 4.3%, Risk-free rate 2.3%, Risk premium 8%
	Amata City Bien Hoa	13	31	4	0.2	WACC 4.3%, Risk-free rate 2.3%, Risk premium 8%
	Hemraj	130	75	98	4.9	WACC 4.3%, Risk-free rate 2.3%, Risk premium 8%
	BGPR1&2	240	60	144	8.7	WACC 4.3%, Risk-free rate 2.3%, Risk premium 8%
	Solar Vietnam (Dau Tieng)	420	51	214	3.3	WACC 6%, Risk-free rate 5%, Risk premium 7.5%
VSPP	Solar Vietnam (Hoa Hoi)	257	80	206	3.2	WACC 6%, Risk-free rate 5%, Risk premium 7.5%
	Solar Thailand	115	52	60	1.3	WACC 4.6%, Risk-free rate 5%, Risk premium 8%
	Hydropower	133	71	95	2.4	WACC 4.6%, Risk-free rate 5%, Risk premium 8%
	Wind	16	94	15	0.6	WACC 4.6%, Risk-free rate 5%, Risk premium 8%
	Solar Cambodia	39	100	15	1.4	WACC 4.6%, Risk-free rate 5%, Risk premium 8%
	Net debt				(34.9)	
Residual ordinary equity					46.0	

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	77,888	104,958	100,610
Cost of goods sold	(29,354)	(32,796)	(63,969)	(83,702)	(77,783)
Gross profit	14,733	13,833	13,919	21,256	22,826
Other operating income	-	-	-	-	-
Operating costs	(2,039)	(1,673)	(2,794)	(3,766)	(3,723)
Operating EBITDA	12,694	12,160	11,125	17,491	19,104
Depreciation	(5,494)	(5,139)	(5,623)	(6,211)	(6,323)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	7,200	7,021	5,501	11,279	12,780
Net financing costs	(3,520)	(3,537)	(5,042)	(4,546)	(4,609)
Associates	58	44	224	228	211
Recurring non-operating income	751	396	686	428	411
Non-recurring items	(442)	(164)	(263)	0	0
Profit before tax	3,989	3,715	883	7,161	8,582
Tax	(233)	(298)	(36)	(435)	(614)
Profit after tax	3,755	3,417	847	6,726	7,967
Minority interests	(1,581)	(1,141)	(746)	(4,222)	(4,676)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	2,175	2,276	101	2,504	3,291
Non-recurring items & goodwill (net)	442	164	263	0	0
Recurring net profit	2,617	2,440	364	2,504	3,291
Per share (THB)					
Recurring EPS *	1.00	0.94	0.14	0.96	1.26
Reported EPS	0.83	0.87	0.04	0.96	1.26
DPS	0.45	0.42	0.06	0.50	0.60
Diluted shares (used to calculate per share data)	2,607	2,607	2,607	2,607	2,607
Growth					
Revenue (%)	(0.1)	5.8	67.0	34.8	(4.1)
Operating EBITDA (%)	15.7	(4.2)	(8.5)	57.2	9.2
Operating EBIT (%)	14.0	(2.5)	(21.6)	105.0	13.3
Recurring EPS (%)	7.5	(6.8)	(85.1)	588.3	31.4
Reported EPS (%)	(6.7)	4.6	(95.6)	2,375.5	31.4
Operating performance					
Gross margin inc. depreciation (%)	21.0	18.6	10.7	14.3	16.4
Gross margin of key business (%)	21.0	18.6	10.7	14.3	16.4
Operating EBITDA margin (%)	28.8	26.1	14.3	16.7	19.0
Operating EBIT margin (%)	16.3	15.1	7.1	10.7	12.7
Net margin (%)	5.9	5.2	0.5	2.4	3.3
Effective tax rate (%)	5.9	8.1	5.5	6.3	7.3
Dividend payout on recurring profit (%)	44.8	44.9	43.0	52.1	47.5
Interest cover (X)	2.3	2.1	1.2	2.6	2.9
Inventory days	12.4	11.2	8.2	9.5	11.2
Debtor days	57.8	61.8	50.6	52.3	71.9
Creditor days	148.6	63.1	47.9	55.9	65.7
Operating ROIC (%)	7.8	6.4	4.5	8.0	7.9
ROIC (%)	6.9	5.4	4.1	6.9	6.9
ROE (%)	9.4	8.6	1.2	8.3	10.2
ROA (%)	5.6	4.6	3.3	6.0	6.4
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Electricity generation	44,087	46,628	77,888	104,958	100,610
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	364	2,504	3,291
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)	(974)	(3,630)	(5,267)
Cash flow from operations	(3,898)	3,851	5,237	5,313	4,559
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)	1,024	(1,553)	224	228	211
Cash flow from investing	(13,104)	(9,357)	(17,776)	(17,772)	(17,789)
Dividends paid	(1,173)	(1,095)	(782)	(78)	(1,303)
Equity finance	0	0	0	0	0
Debt finance	15,230	17,692	11,548	2,000	1,000
Other financing cash flows	(328)	(3,707)	36	3,333	4,255
Cash flow from financing	13,729	12,890	10,801	5,255	3,951
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(3,274)	7,385	(1,737)	(7,204)	(9,279)
Free cash flow to firm (FCFF)	(13,816.44)	(1,211.98)	(8,277.25)	(7,913.31)	(8,621.73)
Free cash flow to equity (FCFE)	(2,100.53)	8,479.65	(955.03)	(7,126.21)	(7,976.02)

Per share (THB)

FCFF per share	(5.30)	(0.46)	(3.18)	(3.04)	(3.31)
FCFE per share	(0.81)	3.25	(0.37)	(2.73)	(3.06)
Recurring cash flow per share	3.13	2.92	2.38	3.43	3.77

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)
Tangible fixed assets (net)	80,300	84,804	97,180	108,969	120,645
Intangible fixed assets (net)	12,949	13,587	13,587	13,587	13,587
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	1,070	2,909	2,909	2,909	2,909
Cash & equivalents	20,389	27,774	26,036	18,831	9,552
A/C receivable	6,818	8,983	12,599	17,473	22,144
Inventories	1,033	971	1,894	2,479	2,304
Other current assets	1,638	3,330	5,562	7,496	7,185
Current assets	29,879	41,058	46,093	46,279	41,185
Other assets	6,498	6,839	6,839	6,839	6,839
Total assets	130,696	149,198	166,608	178,583	185,166
Common equity	27,470	29,471	28,790	31,216	33,204
Minorities etc.	11,834	11,344	12,091	16,313	20,989
Total shareholders' equity	39,304	40,816	40,881	47,528	54,192
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
Long-term liabilities	64,399	95,658	105,658	105,658	105,658
A/C payable	5,641	5,691	11,100	14,524	13,497
Short term debt	20,745	6,452	8,000	10,000	11,000
Other current liabilities	607	581	970	1,307	1,253
Current liabilities	26,993	12,724	20,069	25,831	25,749
Total liabilities and shareholders' equity	130,696	149,198	166,608	179,017	185,600
Net working capital	3,242	7,013	7,987	11,617	16,883
Invested capital	104,059	115,152	128,503	143,921	160,864

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

Per share (THB)

Book value per share	10.54	11.31	11.04	11.97	12.74
Tangible book value per share	5.57	6.09	5.83	6.76	7.52

Financial strength

Net debt/equity (%)	146.6	166.4	198.6	190.2	185.8
Net debt/total assets (%)	44.1	45.5	48.7	50.6	54.4
Current ratio (x)	1.1	3.2	2.3	1.8	1.6
CF interest cover (x)	4.3	6.1	4.4	3.4	3.2

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	41.3	44.3	297.4	43.2	32.9
Recurring P/E @ target price (x) *	45.8	49.2	329.7	47.9	36.4
Reported P/E (x)	49.7	47.5	1,069.6	43.2	32.9
Dividend yield (%)	1.1	1.0	0.1	1.2	1.4
Price/book (x)	3.9	3.7	3.8	3.5	3.3
Price/tangible book (x)	7.5	6.8	7.1	6.1	5.5
EV/EBITDA (x) **	14.0	15.4	18.1	12.3	12.0
EV/EBITDA @ target price (x) **	14.9	16.4	19.2	13.0	12.6
EV/invested capital (x)	1.7	1.6	1.6	1.5	1.4

* 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	BPCG	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	PSH	SCM	SUSCO	TOA	VIH
AMATAV	BTS	DTAC	HANA	LHFG	NVD	PSL	SDC	SUTHA	TOP	WACOAL
ANAN	BTW	DUSIT	HARN	LIT	NWR	PTG	SEAFECO	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	TPIPP	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	MSTI	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
AMANAH	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	WIIK
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

Siriluck Pinthusoonthorn FSS International Investment Advisory Securities Co., Ltd

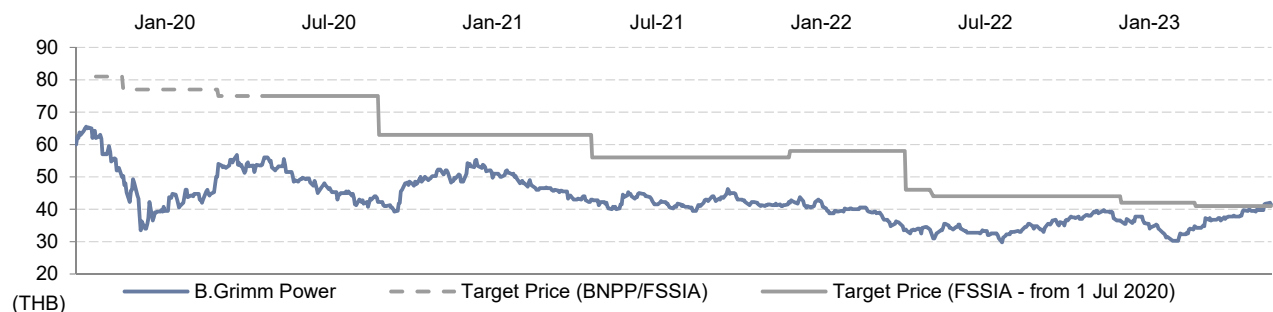
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History of change in investment rating and/or target price

B.Grimm Power (BGRIM TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
31-Jan-2020	BUY	81.00	28-Apr-2021	BUY	56.00	25-Aug-2022	BUY	42.00
25-Feb-2020	BUY	77.00	26-Oct-2021	BUY	58.00	01-Nov-2022	BUY	41.00
22-May-2020	BUY	75.00	09-Feb-2022	BUY	46.00			
15-Oct-2020	BUY	63.00	04-Mar-2022	BUY	44.00			

Siriluck Pinthusoonthorn started covering this stock from 11-Nov-2022

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.

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 10-Jan-2023 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.