

B.GRIMM POWER BGRIM TB

THAILAND / UTILITIES

BUY

UNCHANGED

Margin to normalise in 2025E onward

- We revise down BGRIM's 2023-2025E EPS by 13.6%/26.6%/2.8 to reflect our new Ft and gas price assumptions.
- Expect SPP margins to normalise in 2025 onward.
- We cut our TP to THB37.0/share from THB45.0/share. Maintain BUY on BGRIM.

TARGET PRICE	THB37.00
CLOSE	THB31.50
UP/DOWNSIDE	+17.5%
PRIOR TP	THB45.00
CHANGE IN TP	-17.8%
TP vs CONSENSUS	-15.9%

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	62,395	58,506	60,753	59,436
Net profit	(1,244)	2,210	2,222	3,174
EPS (THB)	(0.48)	0.85	0.85	1.22
vs Consensus (%)	-	(6.7)	(24.4)	(5.1)
EBITDA	8,914	13,736	13,874	15,558
Recurring net profit	(1,244)	2,210	2,222	3,174
Core EPS (THB)	(0.48)	0.85	0.85	1.22
Chg. In EPS est. (%)	nm	(13.6)	(26.6)	(2.8)
EPS growth (%)	nm	nm	0.6	42.8
Core P/E (x)	(66.0)	37.2	36.9	25.9
Dividend yield (%)	0.2	1.2	1.2	1.7
EV/EBITDA (x)	20.3	12.3	12.1	10.5
Price/book (x)	2.8	2.2	2.2	2.1
Net debt/Equity (%)	204.3	146.0	135.7	117.8
ROE (%)	(4.2)	6.6	6.0	8.3

Revised down 2023-2025E EPS by 13.6%/26.6%/2.8%

According to the cabinet meeting on 18 Sep 2023, the cabinet approved a further Sep-Dec 2023 electricity price cut to THB3.99/kWh, implying an Ft at THB0.21/kWh. This is down from the ERC's latest official Sep-Dec 2023 Ft announcement of THB0.6686/kWh. Therefore, we revise down our 2023-2025E EPS by 13.6%/26.6%/2.8%, respectively. The estimates are based on our new Ft assumptions, while our gas price assumption remains the same for BGRIM. We forecast the 2023-2025 Ft to be at THB0.89/0.21/0.10 per kWh, changing from THB1.04/0.60/0.40 per kWh. We estimate there would be no further change in the Sep-Dec 2023 Ft and the Ft should remain at this level throughout 2024.

Potential 2023E earnings upside from PTT's gas subsidies

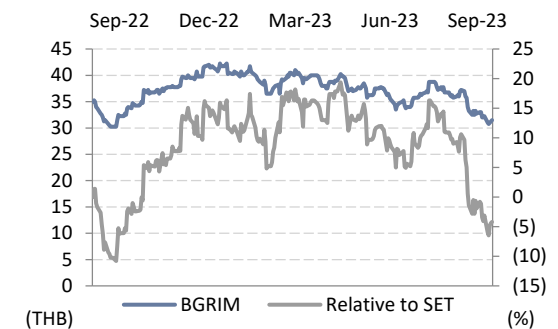
On 20Sep2023, ERC hosted a meeting with PTT to discuss solutions for the electricity price cut. From the discussion, PTT might have to help subsidise and fix the pool gas price at THB304.79/mmbtu to help alleviate the negative impact on power producers. We have not included this into our estimates. However, if the terms were to be finalized and effective in Sep-Dec2023, it would benefit BGRIM and provide a 12% upside to our 2023E.

Expect margin normalisation in 2025E onwards

We believe SPP margins will start to normalise in 2025 onward, given potentially less pressure from government intervention on the Ft due to gas price normalisation. In addition, with the significant interest bearing debt amount that EGAT is absorbing, we think this will cap the downside of the Ft in 2024 onward. We expect ERC would have more flexibility to increase the AF (accumulate factor) to return money back to EGAT.

Maintain BUY on BGRIM, our new target price is at THB37.0/share

We cut our DCF-based target price to THB37.0/share to reflect to the new assumptions and roll over to 2024E TP. Our TP was calculated based on 5.9% WACC, which was derived from 12% cost of equity and 4% cost of debt. We think the share price might have an overhang from the uncertainty of regulatory risk in the short-term. However, we view BGRIM positively long-term and maintain BUY. We think share price could be lifted once there is more clarity on PTT gas subsidies.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(13.1)	(11.3)	(8.7)
Relative to country (%)	(11.8)	(12.0)	(1.3)
Mkt cap (USD m)	2,281		
3m avg. daily turnover (USD m)	9.6		
Free float (%)	31		
Major shareholder	Mr. Harald Link (24%)		
12m high/low (THB)	42.75/30.00		
Issued shares (m)	2,606.90		

Sources: Bloomberg consensus; FSSIA estimates


Kwanwaree Apichartsatporn

Analyst register no. 117055

kwanwaree.a@fssia.com, +66 2646 9968

Investment thesis

BGRIM is one of the largest small power producers (SPPs) in Thailand with a current installed capacity of 3,690MW. It aims to increase that capacity to 10,000MW in 2030 from both organic and inorganic growth. We think BGRIM is attractive for an earnings turnaround and margin recovery that we project in the next few years. We estimate 2023 net profit to increase to THB2.2b from lower gas costs and a higher fuel tariff (Ft), turning around from a loss of THB1.2b in 2022. We expect EPS to grow by 0.6% in 2024 and 42.8% in 2025.

In 2H23, we estimate earnings growth of 7.5% h-h, supported by a lower gas price, the high season of hydro, and contributions from renewables in South Korea.

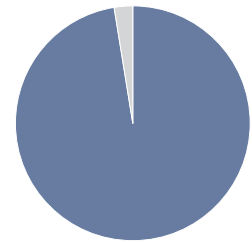
Company profile

BGRIM is a holding company investing in electricity generating businesses of small power producers with major gas-fired and renewable power assets in Thailand and eight other countries.

www.bgrimpower.com

Principal activities (revenue, 2022)

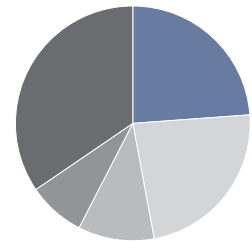
- Electricity generation - 97.5 %
- Others business - 2.5 %



Source: B.Grimm Power

Major shareholders

- Mr. Harald Link - 23.8 %
- UBS AG Singapore Branch - 23.2 %
- B. Grimm Power (Singapore) Pte Ltd - 10.5 %
- B. Grimm Power Joint Venture Holding - 7.9 %
- Others - 34.5 %



Source: B.Grimm Power

Catalysts

Key potential catalysts are 1) falling gas prices; 2) a higher-than-expected Ft; 3) potential new industrial user demand; and 4) new M&As.

Risks to our call

The downside risks to our DCF-based TP include 1) the volatility of gas costs and Ft rates; 2) lower-than-expected industrial user demand; and 3) unplanned shutdowns.

Event calendar

Date	Event
Early Nov 2023	3Q23 financial results announcement
Mid Nov 2023	3Q23 analyst meeting

Key assumptions

	2021	2022	2023E	2024E	2025E
SPP gas price (THB/mmbtu)	266	476	405	370	330
Ft (THB/kWh)	(0.15)	0.40	0.89	0.21	0.10
Sales volume					
EGAT (GWh)	9,701	8,888	8,609	9,661	9,634
IU (GWh)	3,314	3,384	3,675	4,297	4,898
Steam (kt)	989,202	754,215	864,927	971,203	977,563

Source: FSSIA estimates

Earnings sensitivity

- We estimate that a THB1/mmbtu decrease in the gas price would increase net profit by THB18m per annum and vice versa, all else being equal.
- We estimate that a THB0.01/kWh decrease in the Ft would decrease net profit by THB21m per annum and vice versa, all else being equal.

Source: FSSIA estimates

Key charts

Exhibit 1: Key earnings assumptions

	Unit	2021	2022	2023E		2024E		2025E	
				New	old	New	old	New	old
SPP gas price	(THB/mmbtu)	266	476	405	<i>no chg.</i>	370	<i>no chg.</i>	330	<i>no chg.</i>
Ft	(THB/kWh)	(0.15)	0.40	0.89	<i>1.04</i>	0.21	<i>0.60</i>	0.10	<i>0.40</i>

Sources: BGRIM, FSSIA estimates

Exhibit 2: Sales volume assumptions

Sales volume	unit	2021	2022	2023E	2024E	2025E
EGAT	(GWh)	9,701	8,888	8,609	9,661	9,634
IU	(GWh)	3,314	3,384	3,675	4,297	4,898
Steam	(kt)	989,202	754,215	864,927	971,203	977,563

Sources: BGRIM, FSSIA estimates

Exhibit 3: DCF-based target price valuation

DCF valuation	(THB)	(THB/share)	Comment
Operating asset	129,686	49.7	DCF, WACC 5.9%
New opportunities	29,883	11.5	Assume achieve 50% of capacity growth target, IRR 9%
Investment in associates and JVs	9,109	3.5	20x P/E
Net debt	(72,092)	(27.7)	2024E
Total	96,585	37.0	

Source: FSSIA's estimates

Financial Statements

B.Grimm Power

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	46,628	62,395	58,506	60,753	59,436
Cost of goods sold	(37,935)	(56,067)	(48,671)	(50,620)	(47,384)
Gross profit	8,694	6,329	9,835	10,133	12,051
Other operating income	188	852	220	224	229
Operating costs	(1,673)	(3,253)	(1,989)	(2,078)	(2,129)
Operating EBITDA	12,348	8,914	13,736	13,874	15,558
Depreciation	(5,139)	(4,987)	(5,670)	(5,595)	(5,408)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	7,209	3,927	8,066	8,279	10,151
Net financing costs	(2,704)	(3,975)	(4,731)	(4,950)	(4,935)
Associates	44	(172)	240	455	495
Recurring non-operating income	(789)	(894)	240	455	495
Non-recurring items	0	0	0	0	0
Profit before tax	3,715	(942)	3,575	3,785	5,711
Tax	(298)	44	(267)	(400)	(782)
Profit after tax	3,417	(898)	3,308	3,385	4,928
Minority interests	(1,141)	(346)	(1,098)	(1,163)	(1,754)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	2,276	(1,244)	2,210	2,222	3,174
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	2,276	(1,244)	2,210	2,222	3,174
Per share (THB)					
Recurring EPS *	0.87	(0.48)	0.85	0.85	1.22
Reported EPS	0.87	(0.48)	0.85	0.85	1.22
DPS	0.42	0.07	0.38	0.38	0.55
Diluted shares (used to calculate per share data)	2,607	2,607	2,607	2,607	2,607
Growth					
Revenue (%)	5.8	33.8	(6.2)	3.8	(2.2)
Operating EBITDA (%)	(4.6)	(27.8)	54.1	1.0	12.1
Operating EBIT (%)	(3.2)	(45.5)	105.4	2.7	22.6
Recurring EPS (%)	4.6	nm	nm	0.6	42.8
Reported EPS (%)	4.6	nm	nm	0.6	42.8
Operating performance					
Gross margin inc. depreciation (%)	18.6	10.1	16.8	16.7	20.3
Gross margin exc. depreciation (%)	29.7	18.1	26.5	25.9	29.4
Operating EBITDA margin (%)	26.5	14.3	23.5	22.8	26.2
Operating EBIT margin (%)	15.5	6.3	13.8	13.6	17.1
Net margin (%)	4.9	(2.0)	3.8	3.7	5.3
Effective tax rate (%)	-	-	-	-	-
Dividend payout on recurring profit (%)	48.1	(13.6)	45.0	45.0	45.0
Interest cover (X)	2.4	0.8	1.8	1.8	2.2
Inventory days	11.2	6.4	10.2	12.5	12.9
Debtor days	61.8	53.3	56.4	53.5	55.4
Creditor days	63.1	48.9	59.2	49.2	52.0
Operating ROIC (%)	6.6	3.2	6.2	6.5	8.1
ROIC (%)	4.7	2.0	5.1	5.5	6.8
ROE (%)	8.0	(4.2)	6.6	6.0	8.3
ROA (%)	4.0	1.4	4.0	4.0	4.9

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2021	2022	2023E	2024E	2025E
Electricity generation	45,555	60,806	57,160	59,281	58,069
Others business	1,073	1,590	1,346	1,472	1,367

Sources: B.Grimm Power; FSSIA estimates

Financial Statements

B.Grimm Power

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	2,276	(1,244)	2,210	2,222	3,174
Depreciation	5,139	4,987	5,670	5,595	5,408
Associates & minorities	1,097	518	858	707	1,260
Other non-cash items	0	0	0	0	0
Change in working capital	(3,536)	(353)	(282)	43	(385)
Cash flow from operations	4,976	3,908	8,457	8,567	9,456
Capex - maintenance	-	-	-	-	-
Capex - new investment	(9,643)	(16,172)	(6,800)	(4,300)	(2,200)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(2,630)	(5,477)	5,813	324	356
Cash flow from investing	(12,273)	(21,648)	(987)	(3,976)	(1,844)
Dividends paid	(1,748)	(1,072)	(989)	(1,697)	(1,871)
Equity finance	0	0	6,000	0	0
Debt finance	16,587	18,716	4,317	353	(6,835)
Other financing cash flows	(157)	3,322	(5)	0	0
Cash flow from financing	14,682	20,967	9,323	(1,343)	(8,707)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	7,385	3,226	16,793	3,249	(1,095)
Free cash flow to firm (FCFF)	(3,836.10)	(13,684.48)	12,200.75	9,541.88	12,546.90
Free cash flow to equity (FCFE)	9,133.52	4,298.06	11,781.65	4,945.17	776.69

Per share (THB)

FCFF per share	(1.47)	(5.25)	4.68	3.66	4.81
FCFE per share	3.50	1.65	4.52	1.90	0.30
Recurring cash flow per share	3.27	1.63	3.35	3.27	3.78

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	124,553	139,834	145,505	151,099	156,507
Less: Accumulated depreciation	(39,749)	(43,846)	(48,387)	(55,276)	(63,892)
Tangible fixed assets (net)	84,804	95,988	97,118	95,823	92,615
Intangible fixed assets (net)	13,587	13,351	13,351	13,351	13,351
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	2,899	4,132	4,256	4,384	4,515
Cash & equivalents	27,774	31,000	47,793	51,041	49,946
A/C receivable	8,983	9,254	8,834	8,985	9,055
Inventories	971	833	1,578	1,496	1,477
Other current assets	3,330	7,717	1,715	1,840	1,777
Current assets	41,058	48,803	59,920	63,362	62,256
Other assets	6,849	8,376	6,577	6,581	6,590
Total assets	149,198	170,651	181,221	183,501	179,327
Common equity	29,471	29,728	36,943	37,469	38,771
Minorities etc.	11,344	12,440	13,538	14,701	16,456
Total shareholders' equity	40,816	42,168	50,482	52,170	55,227
Long term debt	90,839	106,038	110,316	110,684	104,566
Other long-term liabilities	4,820	2,821	2,821	2,821	2,821
Long-term liabilities	95,658	108,859	113,137	113,504	107,386
A/C payable	5,691	8,005	5,944	6,182	5,787
Short term debt	6,529	11,117	11,156	11,142	10,425
Other current liabilities	504	502	502	502	502
Current liabilities	12,724	19,624	17,603	17,827	16,714
Total liabilities and shareholders' equity	149,198	170,651	181,221	183,501	179,327
Net working capital	7,090	9,297	5,681	5,636	6,020
Invested capital	115,229	131,144	126,982	125,776	123,092

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

Per share (THB)

Book value per share	11.31	11.40	14.17	14.37	14.87
Tangible book value per share	6.09	6.28	9.05	9.25	9.75

Financial strength

Net debt/equity (%)	170.5	204.3	146.0	135.7	117.8
Net debt/total assets (%)	46.6	50.5	40.7	38.6	36.3
Current ratio (x)	3.2	2.5	3.4	3.6	3.7
CF interest cover (x)	7.9	6.1	4.9	2.9	1.6

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	36.1	(66.0)	37.2	36.9	25.9
Recurring P/E @ target price (x) *	42.4	(77.5)	43.7	43.4	30.4
Reported P/E (x)	36.1	(66.0)	37.2	36.9	25.9
Dividend yield (%)	1.3	0.2	1.2	1.2	1.7
Price/book (x)	2.8	2.8	2.2	2.2	2.1
Price/tangible book (x)	5.2	5.0	3.5	3.4	3.2
EV/EBITDA (x) **	13.2	20.3	12.3	12.1	10.5
EV/EBITDA @ target price (x) **	14.4	21.9	13.4	13.1	11.4
EV/invested capital (x)	1.4	1.4	1.3	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

Public disclosures related to sustainable development evaluation of Thai listed companies

Rating regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**" by the Thai Institute of Directors Association (Thai IOD); 2) "**AGM Checklist**" by the Thai Investors Association (TIA), a "**CAC certified member**" of the Thai Private Sector Collective Action Against Corruption (CAC); and 3) "**Sustainability Investment List (THSI)**" by the Stock Exchange of Thailand. The ratings are updated on an annual basis. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such ratings.

CG Score by the Thai Institute of Directors Association (Thai IOD)¹

The **CG Score** indicates corporate governance (CG) strength in the sustainable development of Thai listed companies. Annually, the Thai IOD, with support from the Stock Exchange of Thailand (SET), surveys and assesses the CG practices of companies and publishes the results on the [Thai IOD website](#) in a bid to promote and enhance the CG of Thai listed companies in order to promote compliance with international standards for better investment decisions. The results are from the perspective of a third party, not an evaluation of operations, as of the date appearing in the report, and may be changed after that date.

The **five underlying categories and weighting** used for the CG scoring in 2022 include the rights of shareholders and equitable treatment of shareholders (weight 25% combined), the role of stakeholders (25%), disclosure and transparency (15%), and board responsibilities (35%).

The CGR report rates CG in six categories: 5 for Excellent (score range 90-100), 4 for Very Good (score range 80-89), 3 for Good (Score range 70-79), 2 for Fair (score range 60-69), 1 for Pass (score range 60-69), and not rated (score below 50).

Corporate Governance Report Disclaimer

The disclosure of the survey result 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 companies listed on the Stock Exchange of Thailand and the Market of Alternative Investment disclosed to the public and able to be accessed by a general public investor at [Thai IOD website](#). 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 data appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. **FSSIA** does not confirm nor certify the accuracy of such survey result.

AGM Checklist by the Thai Investors Association (TIA)²

The "**AGM Checklist**" quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and the extent to which information is sufficiently disclosed and the level of its transparency. All the considered factors form important elements of two out of five the CG components. Annually, the TIA, with support from the SEC, leads the project to evaluate the quality of Annual General Meetings of Shareholders (AGMs) and to rate quality of the meetings.

The **Checklist** contains the minimum requirements under law that companies must comply with, or best practices according to international CG guidance. Representatives of the TIA will attend the meetings and perform the evaluation. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating of how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.

The results are classified into four categories: 5 for Excellent (score 100), 4 for Very Good (score 90-99), 3 for Fair (score 80-89), and not rated (score below 79).

CAC certified member by the Thai Private Sector Collective Action Against Corruption (CAC)³

A **CAC certified member** is a listed company whose Checklist satisfies the CAC Certification's criteria and is approved by the CAC Council. The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. Note that the CAC does not certify the behaviour of the employees nor whether the companies have engaged in bribery, and Certification is good for three years.

Companies deciding to become a CAC certified member **start with** by submitting a Declaration of Intent signed by the Chairman of the Board to kick off the 18-month deadline for companies to submit the CAC Checklist for Certification. The 18-month provision is for risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.

The checklist document will be reviewed by the CAC Certification Committee for adequate information and evidence. It is worth noting that the committee consists of nine professionals in business law, corporate governance, internal audit, financial audit and experienced representatives from certified members.

A passed Checklist will move on to the **CAC Council** for granting certification approvals. The CAC Council consists of twelve prominent individuals who are highly respected in professionalism and ethical achievements. Among them are former ministers, a former central bank governor, the former head of the Thai Listed Companies Association, Chairman of Anti-Corruption Organizations (Thailand), Chairman of Thai Institute of Directors, and reputable academic scholars.

Sustainability Investment (THSI)⁴ by the Stock Exchange of Thailand (SET)

Thailand Sustainability Investment (**THSI**) quantifies responsibility in **Environmental**, and **Social** issues, by managing business with transparency in **Governance**. The THSI serves as another choice for investors who desire to adopt a responsible investment approach, according to the SET.

Annually, the SET will announce the voluntary participation of the company candidates which pass the preemptive criteria, and whose two key crucial conditions are met, i.e. no irregular trading of the board members and executives and a free float of >150 by the number of shareholders, and combined holding must >15% of paid-up capital. Some key disqualifying criteria include a CG score of below 70%; independent directors and free float violation; executives' wrongdoing related to CG, social and environmental impacts, equity in negative territory, and earnings in the red for more than three years in the last five years. To become eligible for THSI, the candidate must pass three indicators in data declaration: **Economic** (CG, risk management, customer relation management, supply chain management, and innovation); **Environmental** (environmental management, eco-efficiency, and climate risk); **Social** (human rights, talent attraction, operational health & safety, community development, and stakeholder engagement); and the incorporation of ESG in business operations.

To be approved for THSI inclusion, verified data must be scored at a 50% minimum for each indicator, unless the company is a part of the Dow Jones Sustainability Indices⁵ (DJSI) during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality.

Note that, from the **THSI list**, the SET further developed a sustainability **SETTHSI Index** in June 2018 from selected THSI companies whose 1) market capitalisation > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.

Sources: [SEC](#); [Thai IOD](#); [Thai CAC](#); [SET](#); FSSIA's compilation

Disclaimer:

¹ Thai Institute of Directors Association ([Thai IOD](#)) was established in December 1999 and is a membership organisation that strives to promote professionalism in directorship. The Thai IOD offers directors certification and professional development courses, provides a variety of seminars, forums and networking events, and conducts research on board governance issues and practices. Membership comprises board members from companies ranging from large publicly listed companies to small private firms.

² Thai Investors Association ([TIA](#)) was established in 1983 with a mission to promote investment knowledge and to protect the investment rights of Thai investors. In 2002, the association was appointed by the Securities and Exchange Commission (SEC) to represent individual shareholders. To obtain information for evaluation, the association recruits volunteer investors to join AGMs and score the meetings. Weightings for each meeting are at a 45:45:10 ratio. They have been applied since 2017 and subject to change.

³ Thai Private Sector Collective Action against Corruption ([CAC](#)) was founded in 2010 and is 100% privately funded. It is an initiative by the Thai private sector to take part in tackling corruption problems via collective action. The CAC promotes the implementation of effective anti-corruption policies in order to create a transparent business ecosystem by developing a unique certification program for large/medium/small companies to apply for and to control corruption risk systematically and efficiently. The CAC's operations are sponsored by the US-based Center for Private Enterprise (CIPE) and the UK Prosperity Fund.

⁴ Sustainability Investment List ([THSI](#)), created by the Stock Exchange of Thailand in 2015, comprises the listed companies that conduct sustainable business operations.

⁵ Dow Jones Sustainability Indices – [Wikipedia](#) – Launched in 1999, DJSI evaluates the sustainability performance of companies based on corporate economic, environmental, and social performance.

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Kwanwaree Apichartsatoporn FSS International Investment Advisory Securities Co., Ltd

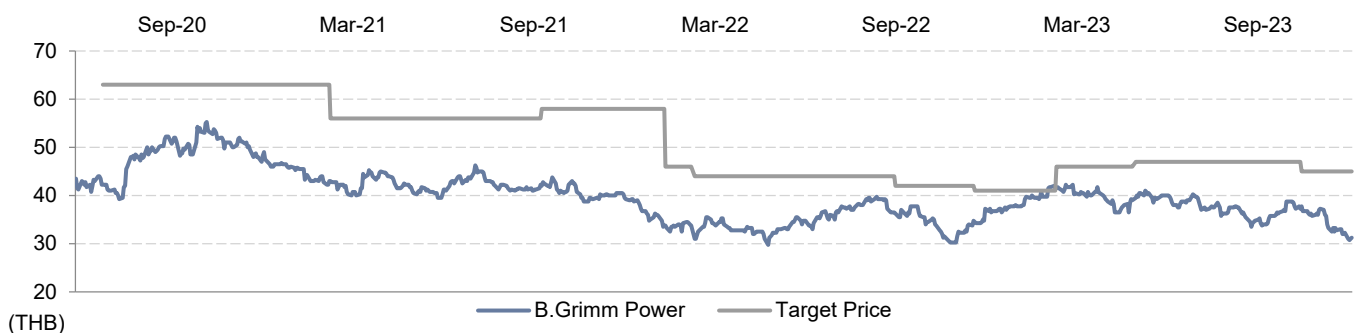
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

This report has been prepared by FSS International Investment Advisory Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSS makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSS has no intention to solicit investors to buy or sell any security in this report. In addition, FSS does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

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
15-Oct-2020	BUY	63.00	04-Mar-2022	BUY	44.00	17-Mar-2023	BUY	47.00
28-Apr-2021	BUY	56.00	25-Aug-2022	BUY	42.00	08-Aug-2023	BUY	45.00
26-Oct-2021	BUY	58.00	01-Nov-2022	BUY	41.00			
09-Feb-2022	BUY	46.00	10-Jan-2023	BUY	46.00			

Kwanwaree Apichartsatoporn started covering this stock from 08-Aug-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
B.Grimm Power	BGRIM TB	THB 31.50	BUY	The downside risks to our DCF-based TP include 1) the volatility of gas costs and Ft rates; 2) lower-than-expected industrial user demand; and 3) unplanned shutdowns.

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 22-Sep-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.