

B.GRIMM POWER BGRIM TB

THAILAND / UTILITIES

BUY

UNCHANGED

คาด 3Q23 จะได้รับผลกระทบจากผลขาดทุนจากอัตราแลกเปลี่ยน (FX loss)

- คาดกำไรสุทธิ 3Q23 อยู่ที่ 398 ลบ. ลดลง 42% q-q และพลิกจากที่เคยขาดทุน 529 ลบ. ใน 3Q22
- คาดกำไรจะลดลง q-q จาก FX loss จำนวน ~608 ลบ.
- คงแนะนำซื้อที่ราคาเป้าหมาย 37.0 บาท

TARGET PRICE	THB37.00
CLOSE	THB23.50
UP/DOWNSIDE	+57.4%
PRIOR TP	THB37.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-7.1%

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 (%)	-	(2.4)	(21.0)	2.2
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	-	-	-
EPS growth (%)	nm	nm	0.6	42.8
Core P/E (x)	(49.2)	27.7	27.6	19.3
Dividend yield (%)	0.3	1.6	1.6	2.3
EV/EBITDA (x)	17.9	10.8	10.6	9.2
Price/book (x)	2.1	1.7	1.6	1.6
Net debt/Equity (%)	204.3	146.0	135.7	117.8
ROE (%)	(4.2)	6.6	6.0	8.3

คาดการณ์กำไรสุทธิ 3Q23 จะลดลงจาก FX loss แต่กำไรปกติจะทรงตัว

เรคาดกำไรสุทธิ 3Q23 อยู่ที่ 398 ลบ. ลดลงจาก 678 ลบ. ใน 2Q23 แต่ดีขึ้นจากที่เคยขาดทุน 529 ลบ. ใน 3Q22 เรคาดต้นทุนก๊าซใน 3Q23 ไว้ที่ 320 บาท/mmbtu (เทียบกับ 404 บาท/mmbtu ใน 2Q23) และค่าธรรมเนียมเชื้อเพลิง (Ft) ไว้ที่ 0.68 บาท/kWh (เทียบกับ 1.12 บาท/kWh ใน 2Q23) เมื่อเทียบ Q-Q ก๊าซน่าจะปรับตัวลดลงส่วนมากจาก FX loss ทั้งที่รับรู้แล้ว และยังไม่ได้รับรู้จำนวน 608 ลบ. รวมถึงค่า Ft ที่ลดลง อย่างไรก็ตามปัจจัยลบดังกล่าวจะถูกชดเชยไปบางส่วนจากกำไรพิเศษจากสินไหมทดแทนจากบริษัทประกันภัยจำนวน ~200 ลบ. และเงินชดเชยต้นทุนค่าก๊าซ ~240 ลบ. หลังจากราคาก๊าซจริงต่ำกว่าราคาก๊าซที่กำหนดไว้สำหรับในช่วงเดือน ม.ค. - เม.ย. 2023 เมื่อหัก FX loss ที่ยังไม่ได้รับรู้เรคาดกำไรปกติอยู่ที่ 677 ลบ. ลดลง 1% q-q และพลิกจากที่เคยเท่าทุน (25 ลบ.) ใน 3Q22 เรคาดว่ากำไรปกติ 9M23 จะคิดเป็น 79% ของประมาณการทั้งปีของเรา

รายได้จากการขายได้รับผลกระทบจากราคาก๊าซและค่า Ft ที่ลดลง

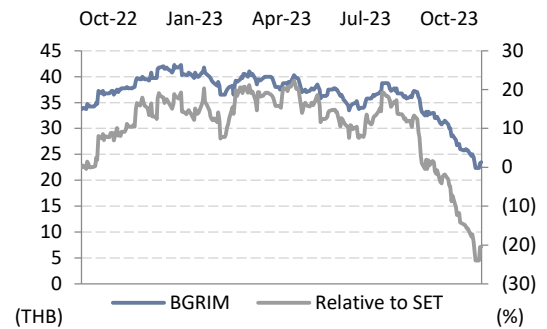
เรคาดรายได้รวมใน 3Q23 อยู่ที่ 13,405 ลบ. (-10% q-q, -27% y-y) ลดลงส่วนมากจากต้นทุนก๊าซและค่า Ft ที่ลดลงในขณะที่เรคาดว่าปริมาณขายในธุรกิจหลัก (โรงไฟฟ้าขนาดเล็ก) ให้แก่ กฟผ. และผู้ใช้อุตสาหกรรม (IU) จะปรับตัวดีขึ้นเล็กน้อย q-q ในระหว่างไตรมาสบริษัทได้ลูกค้า IU ใหม่จำนวน ~40MW ในขณะที่ธุรกิจสำคัญอื่นเช่น ไอ่น้ำน่าจะได้รับผลกระทบจากลูกค้ารายใหญ่รายหนึ่งที่เปิดซ่อมแซมครั้งใหญ่ในระหว่างไตรมาส ในขณะที่เดียวกันเรคาดว่าลูกค้าที่ซบเซาในธุรกิจโรงไฟฟ้าพลังแสงอาทิตย์จะหักล้างกับลูกค้าที่ดีในธุรกิจโรงไฟฟ้าพลังน้ำ

แนวโน้มกำไร 4Q23 ยังมีความท้าทาย

จากค่า Ft ในปัจจุบันที่ 0.2048 บาท/kWh และสมมติฐานต้นทุนก๊าซใน 4Q23 ที่ 330 บาท/mmbtu เราเชื่อว่าแนวโน้มกำไร 4Q23 ยังมีความท้าทายเนื่องจากอัตราค่าก๊าซของ IU น่าจะยังลดลงต่อเนื่อง

คงคำแนะนำซื้อที่ราคาเป้าหมาย 37.0 บาท

เรคงคำแนะนำซื้อ BGRIM ที่ราคาเป้าหมายปี 2024 ที่ 37.0 บาท (DCF) อย่างไรก็ตามที่ราคาหุ้นปรับตัวลดลง 37% ในรอบ 3 เดือนเพื่อสะท้อนปัจจัยลบซึ่งทำให้การประเมินมูลค่าอยู่ในระดับที่น่าสนใจ แม้ว่าราคาหุ้นอาจถูกกดดันในระยะสั้นจากความไม่แน่นอนเกี่ยวกับความเสี่ยงด้านกฎเกณฑ์และผลตอบแทนพันธบัตรที่สูงขึ้น เรามอง BGRIM เป็นบวกในระยะยาวและคิดว่าอัตราค่าก๊าซอาจกลับมาเป็นปกติได้ในปี 2025



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(23.6)	(36.5)	(28.2)
Relative to country (%)	(18.5)	(30.9)	(18.3)
Mkt cap (USD m)	1,695		
3m avg. daily turnover (USD m)	11.2		
Free float (%)	31		
Major shareholder	Mr. Harald Link (24%)		
12m high/low (THB)	42.75/22.20		
Issued shares (m)	2,606.90		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 26 ตุลาคม 2023

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.

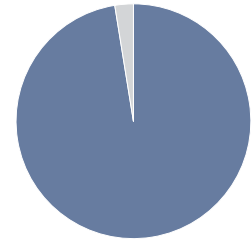
Company profile

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)

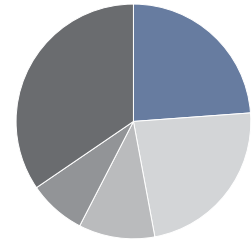
- Electricity generation - 97.5 %
- Others business - 2.5 %



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
13 Nov 2023	3Q23 financial results announcement
14 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: BGRIM, 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

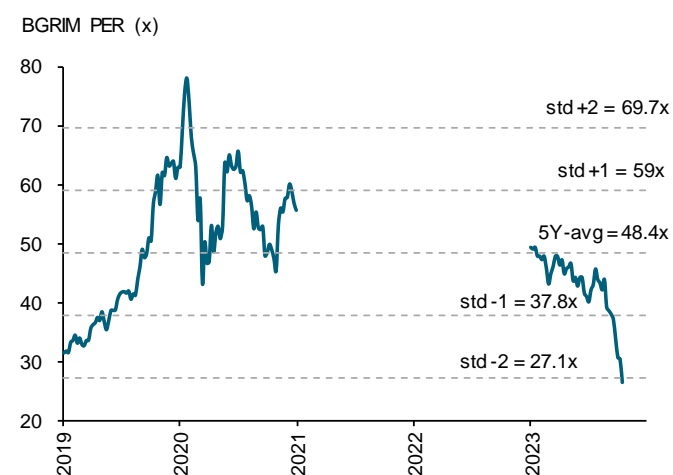
Focus charts

Exhibit 1: 3Q23 results preview

	3Q22	2Q23	3Q23E	Change		2023E	% of 23E
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(%)
Revenue	18,383	14,891	13,405	(10)	(27)	58,506	75
Gross profit	1,660	2,664	2,703	1	63	9,835	78
SG&A	(461)	(471)	(565)	20	22	(1,989)	79
Operating profit	1,199	2,193	2,138	(3)	78	7,846	78
Interest expense	(1,104)	(1,228)	(1,203)	(2)	9	(4,731)	77
Pretax profit	(285)	1,044	729	(30)	nm.	4,212	61
Forex gain(loss)	(791)	(129)	(608)	372	nm.	0	nm.
Net profit	(529)	678	394	(42)	nm.	2,210	67
NNP adjustment	(554)	(8)	(282)	3,602	(49)	0	nm.
Normalized net profit (NNP)	25	686	677	(1)	2,608	2,210	79
EBITDA	2,525	3,714	3,458	(7)	37	13,736	48
Key ratio							
Gross profit margin	9.0	17.9	20.2			16.8	
Net profit margin	(2.9)	4.6	2.9			3.8	
NNP margin	0.1	4.6	5.0			3.8	
EBITDA margin	13.7	24.9	25.8			23.5	
Quarterly key earnings drivers							
Sales Volume breakdown (GWh)							
EGAT	2,396	2,270	2,338	3	(2)	8,609	27
IUs - Thailand	852	833	866	4	2	3,675	24
Steam (kt)	183	219	197	(10)	8	865	23
Revenue and cost drivers							
Electricity to IU - Thailand (Bt/kWh)	3.89	4.52	4.05	(10)	4	4.18	
Steam to IU - Thailand (Bt/ton)	1,403	1,444	1,011	(30)	(28)	1,157	
Ft (Bt/kWh)	0.48	1.12	0.68	(40)	42	0.89	
Gas cost (Bt/mmbtu)	558	404	320	(21)	(43)	405	

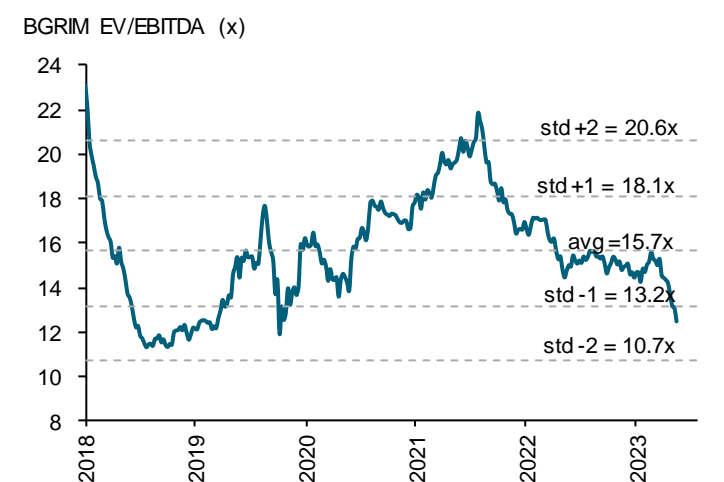
Sources: BGRIM, FSSIA's estimates

Exhibit 2: 12-month forward P/E band



Sources: Bloomberg, FSSIA estimates

Exhibit 3: EV/EBITDA band



Sources: Bloomberg, FSSIA 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) *	26.9	(49.2)	27.7	27.6	19.3
Recurring P/E @ target price (x) *	42.4	(77.5)	43.7	43.4	30.4
Reported P/E (x)	26.9	(49.2)	27.7	27.6	19.3
Dividend yield (%)	1.8	0.3	1.6	1.6	2.3
Price/book (x)	2.1	2.1	1.7	1.6	1.6
Price/tangible book (x)	3.9	3.7	2.6	2.5	2.4
EV/EBITDA (x) **	11.5	17.9	10.8	10.6	9.2
EV/EBITDA @ target price (x) **	14.4	21.9	13.4	13.1	11.4
EV/invested capital (x)	1.2	1.2	1.2	1.2	1.2

* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income

Sources: B.Grimm Power; FSSIA estimates

B Grimm Power PCL (BGRIM TB)

FSSIA ESG rating



66.87 / 100

Exhibit 4: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

Exhibit 5: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings						Bloomberg	
		DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar	ESG Book	MSCI	Moody's	Refinitiv	S&P Globe I	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
BCPG	60.77	--	Y	Y	5.00	4.00	Certified	Medium	53.04	A	--	57.81	38.00	--	54.74
BGRIM	66.87	--	Y	Y	5.00	5.00	Certified	High	47.55	BBB	--	63.32	84.00	3.58	68.21
GULF	61.25	--	Y	Y	5.00	5.00	Certified	High	57.10	B	--	53.85	74.00	2.92	53.27
GPSC	69.86	--	Y	Y	5.00	5.00	Certified	Medium	63.22	B	--	60.43	88.00	4.77	--
GUNKUL	61.52	--	Y	Y	5.00	5.00	Certified	Medium	68.79	--	--	73.33	27.00	2.75	58.25

Sources: SETTRADE.com; FSSIA's compilation

Exhibit 6: ESG score by Bloomberg

FY ending Dec 31	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	1.94	2.47	2.61	2.73	3.01	3.58
BESG environmental pillar score	0.12	0.58	0.85	0.85	1.54	2.18
BESG social pillar score	3.83	3.86	3.86	3.81	3.29	4.28
BESG governance pillar score	4.13	4.95	4.81	5.32	5.26	5.31
ESG disclosure score	55.24	67.24	70.22	69.89	69.39	68.21
Environmental disclosure score	51.50	62.70	70.10	70.10	69.56	66.96
Social disclosure score	50.79	51.57	53.14	52.15	44.89	43.95
Governance disclosure score	63.40	87.36	87.36	87.36	93.62	93.62
Environmental						
Emissions reduction initiatives	Yes	Yes	Yes	Yes	Yes	Yes
Climate change policy	No	Yes	Yes	Yes	Yes	Yes
Climate change opportunities discussed	No	No	Yes	Yes	Yes	Yes
Risks of climate change discussed	No	Yes	Yes	Yes	Yes	Yes
GHG scope 1	4,110	4,559	5,203	5,396	5,582	—
GHG scope 2 location-based	1	2	2	1	5	6
GHG Scope 3	—	—	—	—	7	—
Carbon per unit of production	0.41	0.40	0.38	0.37	0.38	0.38
Biodiversity policy	No	Yes	Yes	Yes	Yes	Yes
Energy efficiency policy	No	Yes	Yes	Yes	Yes	Yes
Total energy consumption	12,496	13,868	15,697	16,306	17,411	15,939
Renewable energy use	—	—	—	—	—	—
Electricity used	—	—	4	2	5	79
Fuel used - natural gas	2,164,770	2,401,410	2,740,720	2,842,140	3,070,540	—

Sources: Bloomberg; FSSIA's compilation

Exhibit 7: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No	No	No	No
Waste reduction policy	Yes	Yes	Yes	Yes	Yes	Yes
Hazardous waste	—	0	0	0	0	0
Total waste	—	2	3	2	2	2
Waste recycled	—	—	1	2	—	2
Waste sent to landfills	—	0.04	0.38	0.00	0.16	0.27
Environmental supply chain management	Yes	Yes	Yes	Yes	Yes	Yes
Water policy	Yes	Yes	Yes	Yes	Yes	Yes
Water consumption	—	—	16,430.00	17,040.00	15,490.00	14,130.00
Social						
Human rights policy	Yes	Yes	Yes	Yes	Yes	Yes
Policy against child labor	Yes	Yes	Yes	Yes	Yes	Yes
Quality assurance and recall policy	No	No	No	No	No	Yes
Consumer data protection policy	Yes	Yes	Yes	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No	No	Yes
Pct women in workforce	29.00	31.00	29.00	30.00	29.36	30.40
Pct disabled in workforce	—	—	0.00	0.00	0.00	0.00
Business ethics policy	Yes	Yes	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes	Yes	Yes
Lost time incident rate - employees	0.02	0.00	0.00	0.00	0.23	0.00
Total recordable incident rate - employees	0.02	0.00	0.00	0.00	—	—
Training policy	Yes	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No	No	No
Number of employees – CSR	719.00	782.00	854.00	1,106.00	1,049.00	1,161.00
Employee turnover pct	5.42	4.09	4.37	3.25	5.00	8.20
Total hours spent by firm - employee training	52,268.00	55,656.00	43,554.00	33,180.00	41,960.00	49,923.00
Social supply chain management	No	Yes	Yes	Yes	Yes	Yes
Governance						
Board size	9	9	8	9	10	10
No. of independent directors (ID)	4	5	5	6	6	6
No. of women on board	4	5	5	5	5	5
No. of non-executive directors on board	7	7	7	7	9	9
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	13	13	13	15	13	16
Board meeting attendance pct	89	91	89	98	98	95
Board duration (years)	3	3	3	3	3	3
Director share ownership guidelines	No	No	No	No	No	No
Age of the youngest director	36	37	38	38	38	39
Age of the oldest director	78	70	69	74	82	83
No. of executives / company managers	10	8	8	8	8	8
No. of female executives	3	3	3	3	2	2
Executive share ownership guidelines	No	No	No	No	No	No
Size of audit committee	3	3	3	3	3	3
No. of ID on audit committee	3	3	3	3	3	3
Audit committee meetings	10	14	12	12	12	13
Audit meeting attendance %	97	100	100	100	100	100
Size of compensation committee	0	4	4	4	4	4
No. of ID on compensation committee	—	2	2	3	3	3
No. of compensation committee meetings	—	2	3	5	11	6
Compensation meeting attendance %	—	88	100	100	100	96
Size of nomination committee	0	4	4	4	4	4
No. of nomination committee meetings	—	2	3	5	11	6
Nomination meeting attendance %	—	88	100	100	100	96
Sustainability governance						
Verification type	No	No	No	No	Yes	Yes

Sources: Bloomberg; FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating																				
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																				
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for THSI inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETTHSI Index is extended from the THSI companies whose 1) market capitalization > 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.																				
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																				
AGM level by Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. 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 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 scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																				
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. (Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including 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 document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																				
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+										
NEGL	Low	Medium	High	Severe																		
0-10	10-20	20-30	30-40	40+																		
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																				
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers.	<table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td>AAA</td> <td>8.571-10.000</td> <td rowspan="3">Leader:</td> <td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td rowspan="3">Average:</td> <td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td>BB</td> <td>2.857-4.285</td> </tr> <tr> <td>B</td> <td>1.429-2.856</td> </tr> <tr> <td>CCC</td> <td>0.000-1.428</td> <td>Laggard:</td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																					
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. (Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)																					
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																					
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																				
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																				

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Kwanwaree Apichartsatoporn FSS International Investment Advisory Securities Co., Ltd

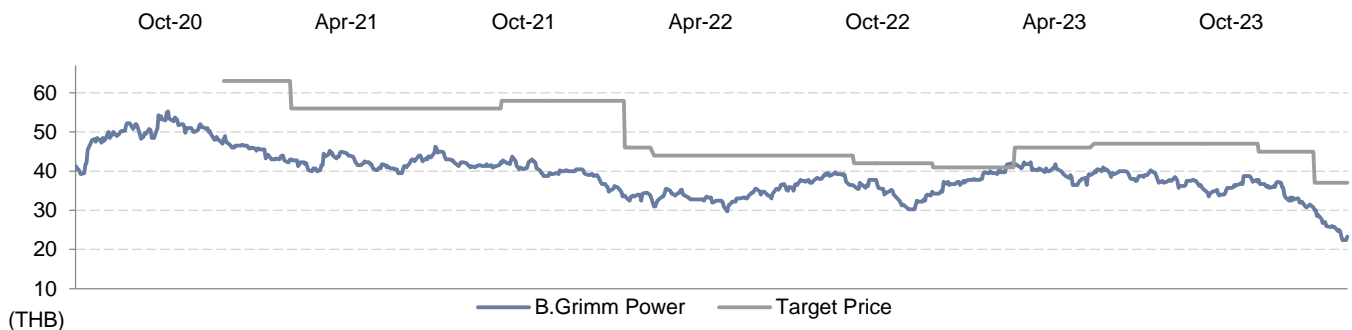
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History of change in investment rating and/or target price

B.Grimm Power (BGRIM TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
01-Mar-2021	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	25-Sep-2023	BUY	37.00
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 23.50	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 Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 25-Oct-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.