EQUITY RESEARCH - COMPANY REPORT

FINANSIA
FSS INTERNATIONAL INVESTMENT ADVISORY

31 JULY 2020

THAILAND / OIL & GAS

ESSO THAILAND ESSO TB

BUY

UNCHANGED

TARGET PRICE	THB11.00
CLOSE	THB7.50
UP/DOWNSIDE	+46.7%
PRIOR TP	THB6.50
CHANGE IN TP	+69.2%
TP vs CONSENSUS	+70.0%

สถานีบริการน้ำมันชั้นนำ

Upsides จากอัตราการใช้กำลังการผลิตและค่าการตลาดที่เพิ่มขึ้น

เราเชื่อว่า ESSO เป็นหนึ่งในการลงทุนที่น่าสนใจที่สุดในกลุ่มโรงกลั่นน้ำมันของไทยโดยมีเหตุผลจาก (1) ธุรกิจมีการกระจายความเสี่ยงที่ดีประกอบด้วยธุรกิจต้นน้ำ คือ โรงกลั่น ธุรกิจปลายน้ำ คือ PX และสถานีบริการน้ำมัน; (2) กำไรสุทธิเติบโตจากกลยุทธ์ในการขยายจำนวนสถานีบริการน้ำมันและเพิ่มความสามารถในการทำกำไรผ่านปริมาณขายผลิตภัณฑ์คุณภาพสูงและผลิตภัณฑ์ที่ไม่ใช่น้ำมันที่เพิ่มขึ้น; และ 3) กำไรสุทธิมี Upsides เนื่องจากอัตราการใช้กำลังการผลิตของโรงกลั่นสูงขึ้นจากความต้องการในประเทศผ่านปริมาณขายน้ำมันที่เพิ่มขึ้นของสถานีบริการน้ำมันของบริษัทฯ

คาดกำไรสุทธิจะฟื้นตัวดีใน 2Q20

เราคาดว่า ESSO จะรายงานกำไรสุทธิ 2Q20 ที่ 1.5พัน ลบ. ปรับตัวดีขึ้นจากผลขาดทุนสุทธิ 6.3 พัน ลบ. ใน 1Q20 และ 927 ลบ. ใน 2Q19 เราคาดว่ากำไรสุทธิหลัก (Core Net Profit) จะลดลงเหลือ 86 ลบ. (-90% q-q, -122% y-y) โดยมีรายการสำคัญประกอบด้วย (1) ค่าการกลั่นทางบัญชีอยู่ที่ USD7.6/bbl ใน 2Q20 เพิ่มจาก -USD19.3/bbl ใน 1Q20 ตาม Product Margins ที่สูงขึ้นและกำไรจากสต๊อคน้ำมันจำนวน 1.6พัน ลบ.; (2) อัตราการใช้กำลังการผลิตลดลงอยู่ที่ 67% จาก 69% ใน 1Q20 เนื่องจาก Product Margins อยู่ในระดับต่ำและการส่งออกจำกัด; (3) อัตราส่วนน้ำมันดิบที่ใช้กลั่นมาจากตะวันออกกลางมากขึ้น โดยอยู่ที่ 32% ของปริมาณการใช้รวม; และ (4) สัดส่วนน้ำมันอากาศยานที่ได้ลดลงเหลือ 3% จาก 7% ใน 1Q20

สถานีบริการน้ำมันชั้นนำ

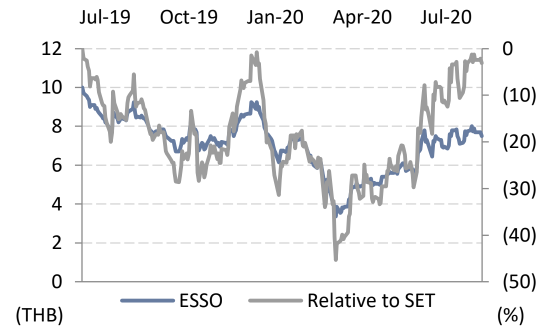
เราเชื่อว่าส่วนแบ่งการตลาดของ ESSO ที่มีอยู่ในระดับสูงและกลยุทธ์การเติบโตที่เหมาะสมผ่านการขยายจำนวนสถานีบริการน้ำมันที่เริ่มตั้งแต่ 2018 ทำให้บริษัทฯ เป็นหนึ่งในหุ้นสถานีบริการน้ำมันที่น่าสนใจที่สุดในประเทศไทย ใน 1Q20 ESSO มีส่วนแบ่งการตลาด 11.1% สูงเป็นอันดับ 5 ในประเทศในแง่ปริมาณขาย ตัวเลขดังกล่าวใกล้เคียงกับคู่แข่งรายสำคัญคือ Shell (Thailand) ตัวเลขสถานีบริการน้ำมันซึ่งขายผลิตภัณฑ์คุณภาพสูงที่เพิ่มขึ้นควรมีส่วนช่วยผลักดัน EBITDA ของ ESSO ให้สูงกว่า 3.5พัน ลบ. และเพิ่มกำไรสุทธิจากธุรกิจสถานีบริการน้ำมันเป็น 2 พัน ลบ. ภายใน 2021E จากค่าการตลาดของผลิตภัณฑ์น้ำมันที่อยู่ในระดับสูง

คงคำแนะนำซื้อหลังปรับราคาเป้าหมายเป็น 11 บาท

เราปรับประมาณการกำไรต่อหุ้นในปี 2020-2022 โดย -14.8%/+15.4%/+8.1% ตามลำดับเพื่อสะท้อนการเปลี่ยนสมมติฐานอัตราการใช้กำลังการผลิตและ Diesel-Dubai Margin นอกจากนี้เรายังเพิ่มราคาเป้าหมายของเราจาก 6.5 เป็น 11 บาท (SOTP) เนื่องจากเรา (1) ปรับไปใช้ประมาณการปี FY2021; (2) เพิ่มสมมติฐาน Forward P/E สำหรับธุรกิจสถานีบริการน้ำมันของ ESSO จาก 18x ใน FY2020E เป็น 23x ใน FY2021E เพื่อสะท้อนฐานกำไรที่เพิ่มขึ้นตามปริมาณขายผลิตภัณฑ์น้ำมันคุณภาพสูงที่เพิ่มขึ้นและการขยายตัวสถานีบริการน้ำมันที่สูงเกินคาด; และ 3) คง FY21E EV/EBITDA ที่ 5x สำหรับธุรกิจโรงกลั่นและ FY21E EV/EBITDA ที่ 3x สำหรับธุรกิจ Aromatics เนื่องจากเราเห็นว่าธุรกิจดังกล่าวยังอยู่ในวงจรขาลงและมีแนวโน้มอัตรากำไรที่อ่อนแอ

KEY STOCK DATA

YE Dec (THB m)	2019	2020E	2021E	2022E
Revenue	169,348	120,601	174,804	179,073
Net Profit	(3,066)	672	3,705	4,600
EPS (THB)	(0.89)	0.19	1.07	1.33
vs Consensus (%)	-	(334.6)	21.2	50.8
EBITDA	(908)	4,548	8,355	9,485
Core net profit	(3,066)	672	3,705	4,600
Core EPS (THB)	(0.89)	0.19	1.07	1.33
Chg. In EPS est. (%)	-	(14.8)	(21.1)	7.5
EPS growth (%)	(196.1)	(121.9)	451.0	24.2
Core P/E (x)	(8.5)	38.6	7.0	5.6
Dividend yield (%)	1.3	-	5.3	6.7
EV/EBITDA (x)	(54.6)	9.8	5.0	3.9
Price/book (x)	1.2	1.2	1.0	0.9
Net debt/Equity (%)	106.6	83.1	61.0	38.7
ROE (%)	(12.8)	3.0	15.4	16.9



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	7.1	38.9	(25.0)
Relative to country (%)	9.0	37.4	(2.7)

Mkt cap (USD m)	826
3m avg daily turnover (USD m)	10.5
Free float (%)	34
Major shareholder	Exxonmobil Asia Holdings Pte. Ltd. (66%)
12m high/low (THB)	10.50/3.14
Issued shares (m)	3,460.86

Sources: Bloomberg consensus; FSSIA estimates

Suwat Sinsadok
suwat.sin@fssia.com
+66 2611 3558

Siriluck Pinthusoonthorn
siriluck.pin@fssia.com
+66 2611 3562

บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ **FSSIA** ฉบับวันที่ **31** กรกฎาคม **2020**

Financial Statements

Esso Thailand

Profit and Loss (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Revenue	200,799	169,348	120,601	174,804	179,073
Cost of goods sold	(189,388)	(164,146)	(111,702)	(160,141)	(163,127)
Gross profit	**11,411**	**5,202**	**8,899**	**14,663**	**15,946**
Other operating income	-	-	-	-	-
Operating costs	(5,769)	(6,110)	(4,351)	(6,307)	(6,461)
Operating EBITDA	**5,642**	**(908)**	**4,548**	**8,355**	**9,485**
Depreciation	(3,199)	(3,198)	(3,562)	(3,655)	(3,747)
Goodwill amortization	0	0	0	0	0
Operating EBIT	**2,443**	**(4,106)**	**985**	**4,701**	**5,738**
Net financing costs	(237)	(313)	(468)	(406)	(319)
Associates	384	380	204	233	233
Recurring non operating income	1,413	462	277	310	314
Non recurring items	(963)	0	0	0	0
Profit before tax	**2,656**	**(3,957)**	**795**	**4,605**	**5,733**
Tax	(429)	893	(121)	(900)	(1,132)
Profit after tax	**2,227**	**(3,065)**	**673**	**3,705**	**4,601**
Minority interests	(1)	(1)	(1)	(1)	(1)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	**2,226**	**(3,066)**	**672**	**3,705**	**4,600**
Non recurring items & goodwill (net)	**963**	**0**	**0**	**0**	**0**
Recurring net profit	**3,189**	**(3,066)**	**672**	**3,705**	**4,600**
Per share (THB)					
Recurring EPS *	0.92	(0.89)	0.19	1.07	1.33
Reported EPS	0.64	(0.89)	0.19	1.07	1.33
DPS	0.40	0.10	0.00	0.40	0.50
Diluted shares (used to calculate per share data)	3,461	3,461	3,461	3,461	3,461
Growth					
Revenue (%)	12.4	(15.7)	(28.8)	44.9	2.4
Operating EBITDA (%)	(53.2)	(116.1)	(600.9)	83.7	13.5
Operating EBIT (%)	(72.4)	(268.1)	(124.0)	377.2	22.1
Recurring EPS (%)	(56.2)	(196.1)	(121.9)	451.0	24.2
Reported EPS (%)	(69.5)	(237.7)	(121.9)	451.0	24.2
Operating performance					
Gross margin inc depreciation (%)	4.1	1.2	4.4	6.3	6.8
Gross margin of key business (%)	-	-	-	-	-
Operating EBITDA margin (%)	2.8	(0.5)	3.8	4.8	5.3
Operating EBIT margin (%)	1.2	(2.4)	0.8	2.7	3.2
Net margin (%)	1.6	(1.8)	0.6	2.1	2.6
Effective tax rate (%)	18.9	20.6	20.6	20.6	20.6
Dividend payout on recurring profit (%)	43.4	(11.3)	-	37.4	37.6
Interest cover (X)	16.3	(11.6)	2.7	12.4	19.0
Inventory days	35.2	41.7	52.4	36.0	42.1
Debtor days	10.3	13.7	19.8	13.9	14.0
Creditor days	12.6	13.4	13.8	9.5	11.1
Operating ROIC (%)	4.9	(7.8)	1.8	(3.9)	(4.9)
ROIC (%)	6.5	(5.8)	1.9	(3.4)	(4.1)
ROE (%)	11.8	(12.8)	3.0	15.4	16.9
ROA (%)	5.6	(4.4)	1.6	5.7	6.8

* Pre exceptional, pre-goodwill and fully diluted

Revenue By Division (THB m)	2018	2019	2020E	2021E	2022E
Downstream	181,981	156,148	113,471	166,416	170,685
Petrochemicals	18,818	13,200	7,129	8,388	8,388

Sources: Esso Thailand; FSSIA estimates

Financial Statements

Esso Thailand

Cash Flow (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Recurring net profit	3,189	(3,066)	672	3,705	4,600
Depreciation	3,199	3,198	3,562	3,655	3,747
Associates & minorities	66	82	73	77	80
Other non-cash items	-	-	-	-	-
Change in working capital	2,102	(7,442)	2,692	(2,465)	(293)
Cash flow from operations	**8,556**	**(7,228)**	**7,000**	**4,970**	**8,134**
Capex - maintenance	(4,743)	(4,819)	(4,819)	(4,819)	(4,819)
Capex - new investment	(2,624)	(2,187)	(3,302)	(3,277)	(3,277)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	596	111	0	0	0
Cash flow from investing	**(6,771)**	**(6,895)**	**(8,121)**	**(8,096)**	**(8,096)**
Dividends paid	(4,326)	(692)	(346)	(346)	(1,730)
Equity finance	0	0	0	0	0
Debt finance	(701)	12,198	(3,000)	(1,000)	(3,000)
Other financing cash flows	3,276	2,411	6,390	6,362	6,358
Cash flow from Financing	**(1,751)**	**13,917**	**3,044**	**5,016**	**1,628**
Non recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	**0**	**0**	**0**	**0**	**0**
Movement in cash	**34**	**(206)**	**1,923**	**1,891**	**1,666**
Free cash flow to firm (FCFF)	2,031.16	(13,801.38)	(647.94)	(2,682.96)	426.08
Free cash flow to equity (FCFE)	4,360.39	486.52	2,269.52	2,236.62	3,396.56
Per share (THB)					
FCFF per share	0.59	(3.99)	(0.19)	(0.78)	0.12
FCFE per share	1.26	0.14	0.66	0.65	0.98
Recurring cash flow per share	1.86	0.06	1.24	2.15	2.44

Balance Sheet (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Tangible fixed asset (gross)	67,600	68,899	70,557	72,215	73,873
Less: Accumulated depreciation	(41,600)	(43,300)	(46,862)	(50,517)	(54,264)
Tangible fixed assets (Net)	**26,000**	**25,599**	**23,695**	**21,698**	**19,610**
Intangible fixed assets (Net)	**161**	**181**	**181**	**181**	**181**
Long-term financial assets	-	-	-	-	-
Invest. In associates & subsidiaries	3,668	3,557	3,557	3,557	3,557
Cash & equivalents	483	277	2,200	4,091	5,757
A/C receivable	6,290	6,464	6,588	6,768	6,952
Inventories	18,416	19,085	12,988	18,620	18,967
Other current assets	4,097	6,152	4,381	6,351	6,506
Current assets	**29,285**	**31,978**	**26,157**	**35,829**	**38,181**
Other assets	2,636	4,927	4,927	4,927	4,927
Total assets	**61,750**	**66,242**	**58,517**	**66,191**	**66,455**
Common equity	25,825	22,110	22,437	25,795	28,665
Minorities etc	7	7	8	9	10
Total Shareholders' equity	**25,832**	**22,118**	**22,445**	**25,804**	**28,675**
Long term debt	1,600	4,167	1,167	1,167	1,167
Other long-term liabilities	2,730	3,281	3,281	3,281	3,281
Long-term liabilities	**4,330**	**7,448**	**4,448**	**4,448**	**4,448**
A/C payable	6,995	5,020	3,416	4,898	4,989
Short term debt	10,045	19,677	19,677	18,677	15,677
Other current liabilities	14,547	11,979	8,531	12,365	12,667
Current liabilities	**31,588**	**36,676**	**31,624**	**35,939**	**33,333**
Total liabilities and shareholders' equity	**61,750**	**66,242**	**58,517**	**66,191**	**66,455**
Net working capital	7,260	14,702	12,010	14,475	14,768
Invested capital	39,725	48,966	44,369	44,838	43,043
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	7.46	6.39	6.48	7.45	8.28
Tangible book value per share	7.42	6.34	6.43	7.40	8.23
Financial strength					
Net debt/Equity (%)	43.2	106.6	83.1	61.0	38.7
Net debt/total assets (%)	18.1	35.6	31.9	23.8	16.7
Current ratio (x)	0.9	0.9	0.8	1.0	1.1
CF interest cover (x)	30.5	9.5	12.9	14.6	21.9

Valuation	2018	2019	2020E	2021E	2022E
Recurring P/E (x) *	**8.1**	**(8.5)**	**38.6**	**7.0**	**5.6**
Recurring P/E @ target price (x) *	**11.9**	**(12.4)**	**56.6**	**10.3**	**8.3**
Reported P/E (x)	11.7	(8.5)	38.6	7.0	5.6
Dividend yield (%)	5.3	1.3	-	5.3	6.7
Price/book (x)	1.0	1.2	1.2	1.0	0.9
Price/tangible book (x)	1.0	1.2	1.2	1.0	0.9
EV/EBITDA (x) **	6.6	(54.6)	9.8	5.0	3.9
EV/EBITDA @ target price (x) **	8.7	(67.9)	12.5	6.4	5.2
EV/invested capital (x)	0.9	1.0	1.0	0.9	0.9

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

Sources: Esso Thailand; FSSIA estimates

Corporate Governance report of Thai listed companies 2019

EXCELLENT LEVEL

AAV	ADVANC	AIRA	AKP	AKR	AMA	AMATA	AMATAV	ANAN	AOT	AP
ARROW	BAFS	BANPU	BAY	BCP	BCPG	BOL	BRR	BTS	BTW	BWG
CFRESH	CHEWA	CHO	CK	CKP	CM	CNT	COL	COMAN	CPALL	CPF
CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC	EA	EASTW	ECF
EGCO	GBX	GC	GCAP	GEL	GFPT	GGC	GOLD	GPSC	GRAMMY	GUNKUL
HANA	HARN	HMPRO	ICC	ICHI	III	ILINK	INTUCH	IRPC	IVL	JKN
JSP	K	KBANK	KCE	KKP	KSL	KTB	KTC	KTIS	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	MFEC	MINT	MONO*
MTC	NCH	NCL	NKI	NSI	NVD	NYT	OISHI	OTO	PAP	PCSGH
PDJ	PG	PHOL	PJW	PLANB	PLANET	PORT	PPS	PR9	PREB	PRG
PRM	PSH	PSL	PTG	PTT	PTTEP	PTTGC	PYLON	Q-CON	QH	QTC
RATCH	ROBINS**	RS	S	S & J	SABINA	SAMART	SAMTEL	SAT	SC	SCB
SCC	SCCC	SCN	SDC	SEAFCO	SEAOIL	SE-ED	SELIC	SENA	SIS	SITHAI
SNC	SORKON	SPALI	SPI	SPRC	SSSC	STA	STEC	SVI	SYNTEC	TASCO
TCAP	THAI	THANA	THANI	THCOM	THIP	THREL	TIP	TISCO	TK	TKT
TMB	TMILL	TNDT	TOA	TOP	TRC	TRU	TRUE	TSC	TSR	TSTH
TTA	TTCL	TTW	TU	TVD	TVO	U	UAC	UV	VGI	VIH
WACOAL	WAVE	WHA	WHAUP	WICE	WINNER					

VERY GOOD LEVEL

2S	ABM	ADB	AF	AGE	AH	AHC	AIT	ALLA	ALT	AMANAH
AMARIN	APCO	APCS	AQUA	ARIP	ASAP	ASIA	ASIAN	ASIMAR	ASK	ASN
ASP	ATP30	AUCT	AYUD	B	BA	BBL	BDMS	BEC	BEM	BFIT
BGC	BGRIM	BIZ	BJC	BJCHI	BLA	BPP	BROOK	CBG	CEN	CENTEL
CGH	CHG	CHOTI	CHOW	CI	CIMBT	CNS	COLOR	COM7	COTTO	CRD
CSC	CSP	DCC	DCON	DDD	DOD	EASON	ECL	EE	EPG	ERW
ESTAR	ETE	FLOYD	FN	FNS	FORTH	FPI	FPT	FSMART	FSS	FVC
GENCO	GJS	GL	GLOBAL	GLOW**	GULF	HPT	HTC	HYDRO	ICN	IFS
INET	INSURE	IRC	IRCP	IT	ITD***	ITEL	J	JAS*	JCK	JCKH
JMART	JMT	JWD	KBS	KCAR	KGI	KIAT	KOOL	KWC	KWM	L&E
LALIN	LANNA	LDC	LHK	LOXLEY	LRH	LST	M	MACO	MAJOR	MBAX
MEGA	METCO	MFC	MK	MODERN	MOONG	MPG	MSC	MTI	NEP	NETBAY
NEX	NINE	NOBLE	NOK	NTV	NWR	OCC	OGC	ORI	OSP	PATO
PB	PDG	PDI	PL	PLAT	PM	PPP	PRECHA	PRIN	PRINC	PSTC
PT	QLT	RCL	RICHY	RML	RWI	S11	SAAM	SALEE	SAMCO	SANKO
SAPPE	SAWAD	SCG	SCI	SCP	SE	SFP	SIAM	SINGER	SIRI	SKE
SKR	SKY	SMIT	SMK	SMPC	SMT	SNP	SONIC	SPA	SPC	SPCG
SPVI	SR	SRICHA	SSC	SSF	SST	STANLY	STPI	SUC	SUN	SUSCO
SUTHA	SWC	SYMC	SYNEX	T	TACC	TAE	TAKUNI	TBSP	TCC	TCMC
TEAM	TEAMG	TFG	TFMAMA	THG	THRE	TIPCO	TITLE	TIW	TKN	TKS
TM	TMC	TMD	TMI	TMT	TNITY	TNL	TNP	TNR	TOG	TPA
TPAC	TPBI	TPCORP	TPOLY	TRITN	TRT	TSE	TSTE	TVI	TVT	TWP
TWPC	UBIS	UEC	UMI	UOBKH	UP	UPF	UPOIC	UT	UWC	VNT
WIIK	XO	YUASA	ZEN	ZMICO						

GOOD LEVEL

A	ABICO	ACAP***	AEC	AEONTS	AJ	ALUCON	AMC	APURE	AS	ASEFA
AU	B52	BCH	BEAUTY	BGT	BH	BIG	BLAND	BM	BR	BROCK
BSBM	BSM	BTNC	CCET	CCP	CGD	CHARAN	CHAYO	CITY	CMAN	CMC
CMO	CMR	CPL	CPT	CSR	CTW	CWT	D	DIMET	EKH	EMC
EPCO	ESSO	FE	FTE	GIFT	GLAND	GLOCON	GPI	GREEN	GTB	GYT
HTECH	HUMAN	IHL	INGRS	INOX	JTS	JUBILE	KASET	KCM	KKC	KWG
KYE	LEE	LPH	MATCH	MATI	M-CHAI	MCS	MDX	META	MGT	MJD
MM	MVP	NC	NDR	NER	NNCL	NPK	NUSA	OCEAN	PAF	PF
PICO	PIMO	PK	PLE	PMTA	POST	PPM	PROUD	PTL	RCI	RJH
ROJNA	RPC	RPH	SF	SGF	SGP	SKN	SLP	SMART	SOLAR	SPG
SQ	SSP	STI	SUPER	SVOA	TCCC	THE	THMUI	TIC	TIGER	TNH
TOPP	TPCH	TPIPP	TPLAS	TQM	TTI	TYCN	UTP	VCOM	VIBHA	VPO
WIN	WORK	WP	WPH	ZIGA						

Score Range	Number of Logo	Description
90-100		Excellent
80-89		Very Good
70-79		Good
60-69		Satisfactory
50-59		Pass
Less than 50	No logo given	-

Disclaimer:
The disclosure of the survey results of the Thai Institute of Directors Association ('IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.
The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.
* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; ** delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

Anti-corruption Progress Indicator

CERTIFIED										
ADVANC	AIE	AKP	AMANAH	AP	APCS	AQUA	ARROW	ASK	ASP	AYUD
BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG	BGRIM	BJCHI	BKI	BLA
BROOK	BRR	BSBM	BTS	BWG	CEN	CENTEL	CFRESH	CGH	CHEWA	CIG
CIMBT	CM	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FSS	GBX	GC
GCAP	GEL	GFPT	GGC	GJS	GOLD	GPSC	GSTEEL	GUNKUL	HANA	HARN
HMPRO	HTC	ICC	IFS	INET	INSURE	INTUCH	IRPC	IVL	K	KASET
KBANK	KBS	KCAR	KCE	KGI	KKP	KSL	KTB	KTC	KWC	L&E
LANNA	LHK	LPN	LRH	M	MAKRO	MALEE	MBAX	MBK	MBKET	MC
MCOT	MFC	MINT	MONO	MOONG	MSC	MTI	NBC	NINE	NKI	NMG
NNCL	NSI	OCC	OCEAN	OGC	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPS
PREB	PRG	PRINC	PSH	PSTC	PT	PTG	PTT	PTTEP	PTTGC	PYLON
Q-CON	QH	QLT	QTC	RATCH	RML	S & J	SABINA	SAT	SC	SCB
SCC	SCCC	SCG	SCN	SE-ED	SELIC	SENA	SGP	SIRI	SIS	SITHAI
SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK	SPC	SPI	SPRC	SRICHA
SSF	SSI	SSSC	SST	STA	SUSCO	SVI	SYNTEC	TASCO	TCAP	TFG
TFI	TFMAMA	THANI	THCOM	THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT
TMB	TMD	TMILL	TMT	TNITY	TNL	TNP	TNR	TOG	TOP	TPA
TPCORP	TRU	TRUE	TSC	TSTH	TTCL	TU	TVD	TVI	TWPC	U
UBIS	UEC	UKEM	UOBKH	VGI	VIH	VNT	WACOAL	WHA	WICE	WIIK

DECLARED										
2S	ABICO	AF	AI	AIRA	ALT	AMA	AMARIN	AMATA	ANAN	B
BM	BPP	BUI	CHG	CHO	CHOTI	CHOW	CI	CMC	COL	DDD
DELTA	EFORL	EPCO	ESTAR	ETE	FPI	FTE	ICHI	INOX	IRC	ITEL
JAS	JSP	JTS	KWG	LDC	LIT	META	MFEC	MPG	NEP	NOK
NWR	ORI	PRM	PSL	ROJNA	RWI	SAAM	SAPPE	SCI	SEAOIL	SHANG
SKR	SPALI	STANLY	SYNEX	TAE	TAKUNI	TMC	TOPP	TPP	TRITN	TVO
UV	UWC	WHAUP	XO	YUASA	ZEN					

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)

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; * FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Suwat Sinsadok 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.

 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

Esso Thailand (ESSO TB)

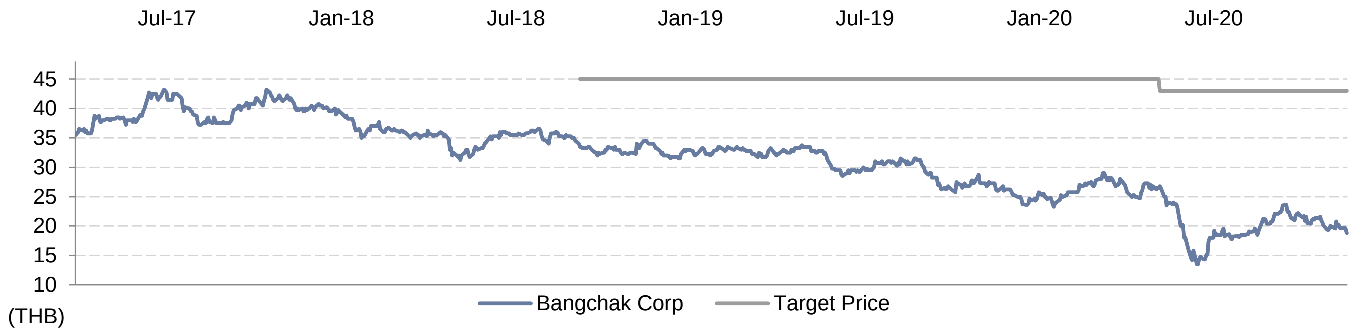
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
09-Oct-2018	BUY	20.00	26-Feb-2020	BUY	11.00	26-May-2020	BUY	6.50
18-Jul-2019	BUY	16.80	01-Apr-2020	BUY	6.20			
03-Dec-2019	BUY	11.20	26-May-2020	BUY	6.50			

Suwat Sinsadok started covering this stock from 09-Oct-2018

Price and TP are in local currency

Source: FSSIA estimates

Bangchak Corp (BCP TB)



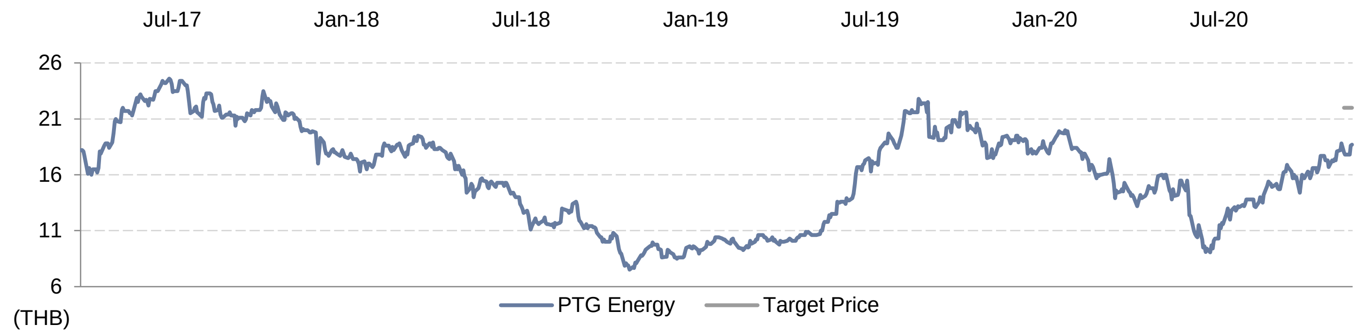
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
09-Oct-2018	BUY	45.00	08-Nov-2019	BUY	45.00	20-Feb-2020	BUY	43.00

Suwat Sinsadok started covering this stock from 09-Oct-2018

Price and TP are in local currency

Source: FSSIA estimates

PTG Energy (PTG TB)



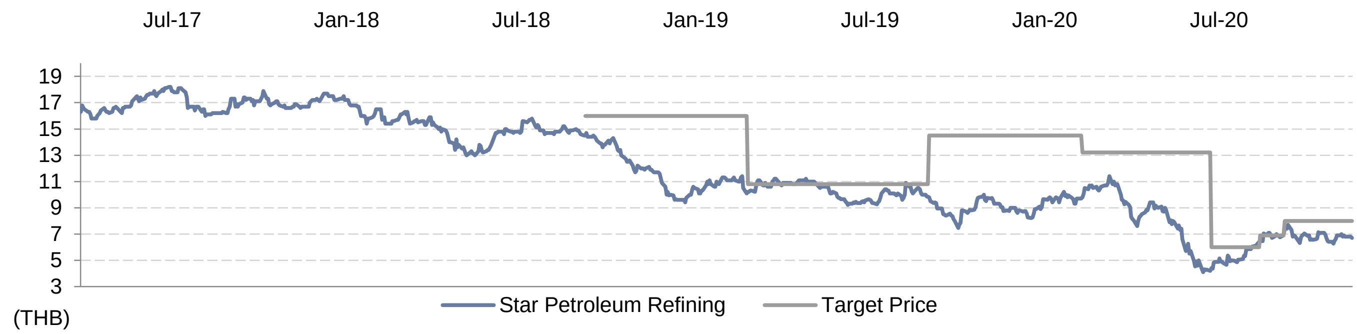
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
22-Jul-2020	BUY	22.00	-	-	-	-	-	-

Suwat Sinsadok started covering this stock from 22-Jul-2020

Price and TP are in local currency

Source: FSSIA estimates

Star Petroleum Refining (SPRC TB)



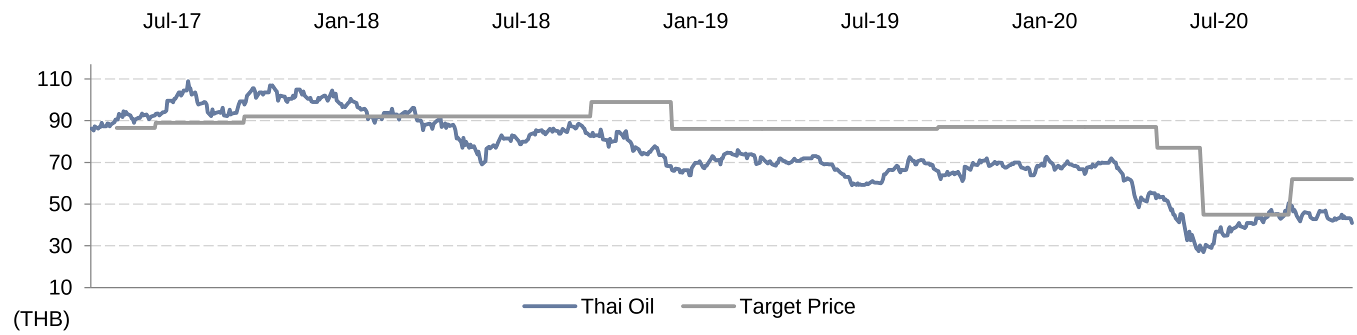
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
09-Oct-2018	HOLD	16.00	11-Dec-2019	BUY	13.20	02-Jun-2020	BUY	8.00
26-Feb-2019	HOLD	10.80	31-Mar-2020	BUY	6.00	18-Jun-2020	BUY	8.00
01-Aug-2019	BUY	14.50	12-May-2020	BUY	6.90			

Suwat Sinsadok started covering this stock from 09-Oct-2018

Price and TP are in local currency

Source: FSSIA estimates

Thai Oil (TOP TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
23-Aug-2017	HOLD	86.50	08-Oct-2018	NOT RATED	92.00	12-Feb-2020	BUY	77.00
26-Sep-2017	HOLD	89.00	09-Oct-2018	BUY	99.00	23-Mar-2020	BUY	45.00
12-Dec-2017	HOLD	92.00	18-Dec-2018	BUY	86.00	08-Jun-2020	BUY	62.00
03-Apr-2018	HOLD	92.00	06-Aug-2019	BUY	87.00	08-Jun-2020	BUY	62.00

Suwat Sinsadok started covering this stock from 23-Aug-2017

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Esso Thailand	ESSO TB	THB 7.50	BUY	The downside risks to our SoTP-based TP on ESSO include 1) lower-than-expected demand for petroleum products; 2) a higher crude premium; and 3) unplanned shutdowns of its refinery and petrochemical plants.
Bangchak Corp	BCP TB	THB 18.80	BUY	The downside risks to our SoTP TP include: 1) lower-than-expected demand for petroleum products, 2) higher crude premium, and 3) unplanned shutdowns of the company's refinery plants.
PTG Energy	PTG TB	THB 18.70	BUY	The downside risks to our SoTP-based TP include 1) a government cap on oil prices; and 2) weaker demand for diesel and gasoline.
Star Petroleum Refining	SPRC TB	THB 6.70	BUY	TP is based on EV/EBITDA. Downside risks are a sharp rise in oil price and weak demand for refined oil products.
Thai Oil	TOP TB	THB 41.00	BUY	Downside risks to our EV/EBITDA-based TP are a sharp rise in oil price and weak demand for refined oil products.

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 30 July 2020 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / 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.