

17 AUGUST 2020

THAILAND / OIL & GAS

STAR PETROLEUM REFINING

SPRC TB

BUY

UNCHANGED

TARGET PRICE	THB8.00
CLOSE	THB6.70
UP/DOWNSIDE	+19.4%
TP vs CONSENSUS	+13.1%

ดีที่สุดในภายใต้สถานการณ์ปัจจุบัน

กำไรสุทธิ 2Q20 มีความยืดหยุ่นสูง

SPRC รายงาน Core Net Profit ที่ 100 ลบ. ใน 2Q20 พลิกจากขาดทุนสุทธิที่ 379 ลบ. ใน 1Q20 และ 87 ลบ. ใน 2Q19 ผลประกอบการดังกล่าวสูงกว่าตลาดคาด 14% และมากกว่าที่เราคาดอยู่ 9% โดยมีปัจจัยหนุนสำคัญจาก Market Gross Refining Margin (GRM) ที่เพิ่มขึ้นเป็น USD4.65/bbl ใน 2Q20 (+263% q-q, +81% y-y) เพราะว่ามีประโยชน์ที่ได้จากส่วนลดราคาน้ำมันดิบ (Crude Price Discount) ที่ลดลงมากกว่า Spread ที่ลดลงของน้ำมันเบนซิน น้ำมันเตาที่มีกำมะถันสูง น้ำมันอากาศยาน และ Diesel-Dubai Spreads กำไรสุทธิของ SPRC ใน 2Q20 อยู่ที่ 1.1 พัน ลบ. พลิกจากขาดทุนสุทธิ 8.3 พัน ลบ. ใน 1Q20 และ 599 ลบ. ใน 2Q19 โดยถูกขับเคลื่อนจากกำไรจากสินค้าคงคลังที่ 1.1 พัน ลบ. หรือ USD2.9/bbl ตามราคาน้ำมันที่ปรับตัวขึ้น อย่างไรก็ดี กำไรดังกล่าวถูกชดเชยบางส่วนโดยผลขาดทุนจากอัตราแลกเปลี่ยนที่ 41 ลบ. และผลขาดทุนจากสัญญาป้องกันความเสี่ยงที่ 41 ลบ.

เลือกใช้น้ำมันดิบและปรับการผลิตได้ดีขึ้น

ใน 2Q20 SPRC เลือกใช้สัดส่วนน้ำมันดิบให้ได้ประโยชน์สูงสุดโดยใช้ Middle Eastern crude ในสัดส่วนที่สูงกว่า 80% นอกจากนี้บริษัทฯ ยังลดระดับการผลิตน้ำมันอากาศยานจนเกือบเป็นศูนย์ ในขณะที่เพิ่มการผลิตเบนซินและดีเซล เพราะ Jet-Dubai Margin ถูกกดดันจากความต้องการที่ตกต่ำในสถานการณ์การแพร่ระบาด COVID-19 อัตราการใช้กำลังการผลิตลดลงเหลือ 86% ใน 2Q20 จาก 92% ใน 1Q20 จาก Product Margins ที่ตกต่ำทำให้ได้ Market GRM ที่ USD4.65/bbl ใน 2Q20 เทียบกับประมาณการต้นทุนของ SPRC ที่ USD3.4/bbl

คาดการณ์ปีหน้าจะต่อเนื่องไปใน 2H20

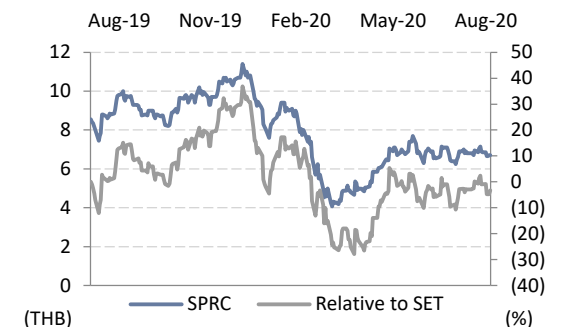
เรามองว่ากำไรสุทธิของ SPRC จะฟื้นตัวต่อเนื่องใน 3Q20 โดยได้แรงผลักดันจาก Market GRM ที่เพิ่มขึ้น โดยอาจพุ่งไปกว่า USD4.0/bbl ใน 3Q20 รวมถึงกำลังการผลิตที่เพิ่มขึ้น 6% y-y เป็น 175kbpd ภายใน 4Q20 เราคาดว่า GRM จะเพิ่มขึ้นจาก Jet-Dubai และ Gasoline-Dubai Margins ที่สูงขึ้นหลังเศรษฐกิจโลกเปิด ในขณะที่ต้นทุนค่าระวางเรือที่ลดลงอาจเสริมส่ง Market GRM ของ SPRC ให้ดียิ่งขึ้นไปอีก

โรงกลั่นที่มีประสิทธิภาพและความยืดหยุ่น

เราคาดว่าแนะนำซื้อ SPRC ที่ราคาเป้าหมาย 8 บาท (FY21E EV/EBITDA 3.3x) เราเห็นว่า SPRC เป็นหนึ่งในหุ้นที่ดีที่สุดในกลุ่มโรงกลั่นของไทยที่จะได้ประโยชน์จาก GRM ที่คาดว่าจะฟื้นตัวหลัง Product Margins ที่ปรับตัวดีขึ้นหักลบกับ Crude Premiums ที่เพิ่มขึ้นตามการเพิ่มของราคาขายน้ำมันดิบในตลาดเอเชียอย่างเป็นทางการของซาอุดีอาระเบียตั้งแต่เดือน ก.ค. SPRC ยังเป็นหุ้นเด่นของเราในกลุ่มโรงกลั่นไทย เนื่องจากกำไรสุทธิของบริษัทฯ สามารถได้ประโยชน์สูงจากการฟื้นตัวของ Gasoline-Dubai Margin และ Market GRM ใน 2H20E

KEY STOCK DATA

YE Dec (THB m)	2019	2020E	2021E	2022E
Revenue	168,840	111,159	156,891	160,375
Net profit	(2,809)	1,664	5,773	6,454
EPS (THB)	(0.65)	0.38	1.33	1.49
vs Consensus (%)	-	(192.9)	129.7	109.6
EBITDA	(2,336)	5,404	10,627	11,426
Core net profit	(2,809)	1,664	5,773	6,454
Core EPS (THB)	(0.65)	0.38	1.33	1.49
EPS growth (%)	(224.1)	(159.2)	246.9	11.8
Core P/E (x)	(10.3)	17.5	5.0	4.5
Dividend yield (%)	2.7	3.0	11.9	13.4
EV/EBITDA (x)	(15.3)	6.0	2.8	2.2
Price/book (x)	0.9	0.9	0.8	0.7
Net debt/Equity (%)	20.9	9.3	0.7	(9.3)
ROE (%)	(7.9)	5.0	16.4	16.9



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	7.2	3.9	(21.2)
Relative to country (%)	8.3	0.2	(3.8)
Mkt cap (USD m)	933		
3m avg. daily turnover (USD m)	8.6		
Free float (%)	39		
Major shareholder	Chevron South Asia Holdings Pte Ltd (61%)		
12m high/low (THB)	11.70/3.82		
Issued shares (m)	4,335.90		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 17 สิงหาคม 2020

Exhibit 1: Summary of 2Q20/1H20 operations

	2Q19	1Q20	2Q20		1H19	1H20	Chg.	2020E	Comments	
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)		(THB m)
Revenue	49,332	39,376	25,831	(34.4)	(47.6)	96,729	65,207	(32.6)	111,159	Lower y-y due to lower ASP
Operating costs	(50,026)	(49,253)	(24,696)	(49.9)	(50.6)	(95,030)	(72,846)	(23.3)	(104,642)	Lower due to lower crude cost
EBITDA	(694)	(9,877)	1,135	(111.5)	(263.6)	1,700	(7,639)	(549.4)	5,404	Lower y-y due to lower gasoline-Dubai margin
EBITDA margin (%)	-1.4	(25)	4.4	nm	nm	1.8	-11.7	nm	4.9	
Depn & amort.	(648)	(707)	(720)	1.9	11.2	(1,314)	(1,427)	8.6	(3,067)	
EBIT	(1,341)	(10,584)	415	(103.9)	(130.9)	386	(9,066)	(2,449.3)	2,336	
Interest expense	(9)	(52)	(31)	(40.9)	224.0	(14)	(83)	486.8	(327)	
Interest & invt inc	0	0	0	nm	nm	0	0	nm	0	
Other income	8	13	8	(39.9)	(4.7)	21	21	(2.2)	31	
Associates' contrib	0	0	0	nm	nm	0	0	nm	0	
Exceptional	512	(7,894)	1,021	(112.9)	99.6	839	(7,976)	(1,050.1)	0	FX gain
Pretax profit	(831)	(18,517)	1,413	(107.6)	(270.0)	1,232	(17,103)	(1,487.9)	2,041	Lower y-y due to lower GRM
Tax	232	2,108	(275)	(113.0)	(218.6)	-141	1833	(1,395.6)	(377)	
Tax rate (%)	28	11	19	nm	nm	11	11	nm	18	
Minority interests	0	0	0	nm	nm	0	0	nm	0	
Net profit	(599)	(8,273)	1,138	(113.8)	(289.9)	1,091	(7,135)	(754.1)	1,664	
Core net profit	(87)	(379)	117	(130.9)	(234.2)	1,334	841	(37.0)	1,664	9% above our estimate, 14% above consensus
EPS (THB)	(0.14)	(1.91)	0.26	(113.8)	(289.9)	0.25	(1.65)	(754.1)	0.38	
Core EPS (THB)	(0.02)	(0.09)	0.03	(130.9)	(234.2)	0.31	0.19	(37.0)	0.38	

Sources: SPRC; FSSIA estimates

Exhibit 2: 2Q20/1H20 key performance

	2Q19	1Q20	2Q20	Change		1H19	1H20	Chg.
	(USD m)	(USD m)	(USD m)	(q-q %)	(y-y %)	(USD m)	(USD m)	(y-y %)
Gross refining margin – accounting (USD/bbl)	2.3	(20.3)	7.5	(136.9)	227.9	5.2	(7.0)	(234.4)
Market gross refining margin (USD/bbl)	2.6	1.3	4.7	263.3	80.9	2.8	2.9	2.5
EBITDA (USD m)	(6)	(303)	69	(122.8)	(1,250.0)	80	(234)	(392.5)
FX gain (loss) (USD m)	16.0	7.0	(1.0)	(114.3)	(106.3)	26.0	6.0	(76.9)
Inventory gain (loss) (USD m)	(0)	(22)	3	(113.2)	(1,121.4)	2	(10)	(520.9)
Net profit (USD m)	(19)	(261)	37	(114.2)	(294.7)	34	(224)	(758.8)
Crude intake ('000 bbl/ day)	152	153	142	(7.3)	(6.3)	158	148	(6.4)
Revenue by product (USD m)								
Polymer grade propylene	24	22	22	0.0	(8.3)	49	44	(10.2)
Liquefied petroleum gas	31	28	16	(42.9)	(48.4)	61	44	(27.9)
Light naphtha	39	35	28	(20.0)	(28.2)	78	63	(19.2)
Gasoline	463	356	255	(28.4)	(44.9)	878	611	(30.4)
Jet fuel	97	81	11	(86.4)	(88.7)	199	91	(54.3)
Diesel	666	601	410	(31.8)	(38.4)	1,298	1,012	(22.0)
Fuel oil	83	40	18	(55.0)	(78.3)	163	58	(64.4)
Asphalt	13	4	5	25.0	(61.5)	30	9	(70.0)
Mix C4	29	26	12	(53.8)	(58.6)	54	38	(29.6)
Crude	0	10	0	(100.0)	nm	10	10	0.0
Others	107	54	30	(44.4)	(72.0)	225	83	(63.1)
Total Revenue	1,553	1,256	807	(35.7)	(48.0)	3,045	2,064	(32.2)
Revenue mix by product (%)*				(ppt)	(ppt)			(ppt)
Polymer grade propylene	1.5	1.8	2.7	1.0	1.2	1.6	2.1	0.5
Liquefied petroleum gas	2.0	2.2	2.0	(0.2)	(0.0)	2.0	2.1	0.1
Light naphtha	2.5	2.8	3.5	0.7	1.0	2.6	3.1	0.5
Gasoline	29.8	28.3	31.6	3.3	1.8	28.8	29.6	0.8
Jet fuel	6.2	6.4	1.4	(5.1)	(4.9)	6.5	4.4	(2.1)
Diesel	42.9	47.9	50.8	3.0	7.9	42.6	49.0	6.4
Fuel oil	5.3	3.2	2.2	(1.0)	(3.1)	5.4	2.8	(2.5)
Asphalt	0.8	0.3	0.6	0.3	(0.2)	1.0	0.4	(0.5)
Mix C4	1.9	2.1	1.5	(0.6)	(0.4)	1.8	1.8	0.1
Crude	0.0	0.8	0.0	(0.8)	0.0	0.3	0.5	0.2
Others	6.9	4.3	3.7	(0.6)	(3.2)	7.4	4.0	(3.4)

* Note that change is in percentage point change
Sources: SPRC; FSSIA estimates

Financial Statements

Star Petroleum Refining

Profit and Loss (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Revenue	209,159	168,840	111,159	156,891	160,375
Cost of goods sold	(203,451)	(169,486)	(104,642)	(144,693)	(147,344)
Gross profit	5,709	(646)	6,516	12,198	13,031
Other operating income	-	-	-	-	-
Operating costs	(947)	(1,690)	(1,112)	(1,570)	(1,605)
Operating EBITDA	4,762	(2,336)	5,404	10,627	11,426
Depreciation	(2,737)	(2,565)	(3,067)	(3,286)	(3,286)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	2,025	(4,901)	2,336	7,341	8,140
Net financing costs	743	1,179	(327)	(294)	(261)
Associates	0	0	0	0	0
Recurring non operating income	35	29	31	35	38
Non recurring items	0	0	0	0	0
Profit before tax	2,804	(3,693)	2,041	7,082	7,917
Tax	(541)	885	(377)	(1,308)	(1,463)
Profit after tax	2,263	(2,809)	1,664	5,773	6,454
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	2,263	(2,809)	1,664	5,773	6,454
Non recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	2,263	(2,809)	1,664	5,773	6,454
Per share (THB)					
Recurring EPS *	0.52	(0.65)	0.38	1.33	1.49
Reported EPS	0.52	(0.65)	0.38	1.33	1.49
DPS	0.59	0.18	0.20	0.80	0.90
Diluted shares (used to calculate per share data)	4,336	4,336	4,336	4,336	4,336
Growth					
Revenue (%)	22.6	(19.3)	(34.2)	41.1	2.2
Operating EBITDA (%)	(61.3)	(149.1)	(331.4)	96.7	7.5
Operating EBIT (%)	(78.6)	(342.0)	(147.7)	214.2	10.9
Recurring EPS (%)	(74.6)	(224.1)	(159.2)	246.9	11.8
Reported EPS (%)	(74.6)	(224.1)	(159.2)	246.9	11.8
Operating performance					
Gross margin inc depreciation (%)	1.4	(1.9)	3.1	5.7	6.1
Gross margin of key business (%)	-	-	-	-	-
Operating EBITDA margin (%)	2.3	(1.4)	4.9	6.8	7.1
Operating EBIT margin (%)	1.0	(2.9)	2.1	4.7	5.1
Net margin (%)	1.1	(1.7)	1.5	3.7	4.0
Effective tax rate (%)	19.3	24.0	18.5	18.5	18.5
Dividend payout on recurring profit (%)	113.6	(28.2)	52.1	60.1	60.5
Interest cover (X)	(2.8)	4.1	7.2	25.1	31.3
Inventory days	24.3	33.0	50.4	33.1	38.1
Debtor days	21.6	21.3	23.6	16.7	16.4
Creditor days	19.9	27.7	38.3	25.2	29.0
Operating ROIC (%)	3.9	(10.3)	5.1	(4.2)	(4.7)
ROIC (%)	3.9	(9.9)	4.9	(3.9)	(4.4)
ROE (%)	5.6	(7.9)	5.0	16.4	16.9
ROA (%)	2.9	(6.9)	3.8	11.6	12.4
* Pre exceptional, pre-goodwill and fully diluted					
Revenue By Division (THB m)					
Polymer Grade Propylene	3,963	7,167	7,588	7,209	5,083
Liquefied Petroleum Gas	4,450	3,630	1,288	3,221	3,221
Light Naphtha	5,912	5,126	2,980	4,225	4,225
Gasoline	60,711	57,920	42,439	55,843	52,206

Sources: Star Petroleum Refining; FSSIA estimates

Financial Statements

Star Petroleum Refining

Cash Flow (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Recurring net profit	2,263	(2,809)	1,664	5,773	6,454
Depreciation	2,737	2,565	3,067	3,286	3,286
Associates & minorities	-	-	-	-	-
Other non-cash items	-	-	-	-	-
Change in working capital	3,592	(1,245)	1,473	(880)	(57)
Cash flow from operations	8,592	(1,489)	6,204	8,179	9,683
Capex - maintenance	(2,685)	(2,518)	(3,067)	(3,286)	(3,286)
Capex - new investment	(2,041)	(1,965)	(799)	(1,019)	(1,019)
Net acquisitions & disposals	0	0	0	0	0
Other investments (net)	6,609	6,645	0	0	0
Cash flow from investing	1,883	2,162	(3,867)	(4,305)	(4,305)
Dividends paid	(12,652)	(8,317)	(271)	(3,035)	(3,469)
Equity finance	0	0	0	0	0
Debt finance	(3,689)	6,369	(1,819)	(4,000)	(1,000)
Other financing cash flows	3,768	1,220	1,598	2,038	2,037
Cash flow from Financing	(12,573)	(727)	(492)	(4,997)	(2,431)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(2,098)	(54)	1,846	(1,123)	2,947
Free cash flow to firm (FCFF)	10,525.25	719.65	2,664.49	4,168.20	5,639.60
Free cash flow to equity (FCFE)	10,554.11	8,263.27	2,117.27	1,912.00	6,415.53

Per share (THB)

FCFF per share	2.43	0.17	0.61	0.96	1.30
FCFE per share	2.43	1.91	0.49	0.44	1.48
Recurring cash flow per share	1.15	(0.06)	1.09	2.09	2.25

Balance Sheet (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Tangible fixed asset (gross)	72,396	69,391	71,659	73,927	76,194
Less: Accumulated depreciation	(43,698)	(42,705)	(45,772)	(49,059)	(52,345)
Tangible fixed assets (Net)	28,698	26,686	25,887	24,868	23,849
Intangible fixed assets (Net)	144	124	124	124	124
Long-term financial assets	-	-	-	-	-
Invest. In associates & subsidiaries	0	0	0	0	0
Cash & equivalents	74	20	1,867	743	3,690
A/C receivable	12,541	7,192	7,192	7,192	7,192
Inventories	12,820	17,856	11,025	15,244	15,524
Other current assets	87	456	300	424	433
Current assets	25,521	25,524	20,383	23,603	26,838
Other assets	647	1,960	1,960	1,960	1,960
Total assets	55,011	54,294	48,354	50,555	52,772
Common equity	38,529	32,476	33,869	36,607	39,592
Minorities etc.	0	0	0	0	0
Total Shareholders' equity	38,529	32,476	33,869	36,607	39,592
Long term debt	449	0	3,000	0	0
Other long-term liabilities	328	484	484	484	484
Long-term liabilities	778	484	3,484	484	484
A/C payable	12,126	13,567	8,376	11,582	11,794
Short term debt	0	6,819	2,000	1,000	0
Other current liabilities	3,579	949	625	882	901
Current liabilities	15,704	21,334	11,001	13,464	12,695
Total liabilities and shareholders' equity	55,011	54,294	48,354	50,555	52,772
Net working capital	9,743	10,989	9,516	10,396	10,453
Invested capital	39,233	39,759	37,487	37,348	36,386

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

Per share (THB)

Book value per share	8.89	7.49	7.81	8.44	9.13
Tangible book value per share	8.85	7.46	7.78	8.41	9.10

Financial strength

Net debt/Equity (%)	1.0	20.9	9.3	0.7	(9.3)
Net debt/total assets (%)	0.7	12.5	6.5	0.5	(7.0)
Current ratio (x)	1.6	1.2	1.9	1.8	2.1
CF interest cover (x)	(15.9)	(7.7)	9.9	11.0	29.4

Valuation	2018	2019	2020E	2021E	2022E
Recurring P/E (x) *	12.8	(10.3)	17.5	5.0	4.5
Recurring P/E @ target price (x) *	15.3	(12.3)	20.8	6.0	5.4
Reported P/E (x)	12.8	(10.3)	17.5	5.0	4.5
Dividend yield (%)	8.8	2.7	3.0	11.9	13.4
Price/book (x)	0.8	0.9	0.9	0.8	0.7
Price/tangible book (x)	0.8	0.9	0.9	0.8	0.7
EV/EBITDA (x) **	6.2	(15.3)	6.0	2.8	2.2
EV/EBITDA @ target price (x) **	7.4	(17.8)	7.0	3.3	2.7
EV/invested capital (x)	0.8	0.9	0.9	0.8	0.7

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

Sources: Star Petroleum Refining; 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	GGP	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	AMANA
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	CENDEL
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	PNR	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	SMP	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	AMANAHA	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	SEOIL	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)

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 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

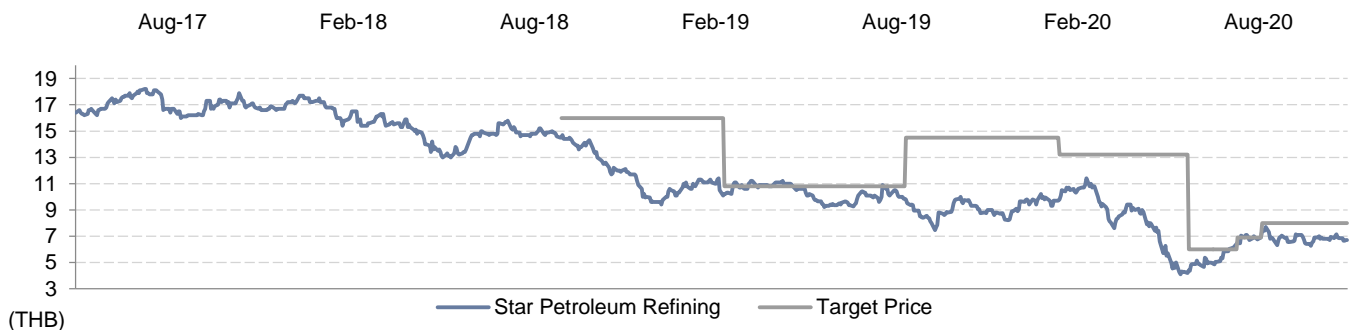
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History of change in investment rating and/or target price

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			
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

Company	Ticker	Price	Rating	Valuation & Risks
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.

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

All share prices are as at market close on 14-Aug-2020 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.