

9 SEPTEMBER 2020

THAILAND / OIL, GAS & COAL

PTG ENERGY PTG TB

BUY

UNCHANGED

TARGET PRICE	THB22.00
CLOSE	THB18.40
UP/DOWNSIDE	+19.6%
PRIOR TP	THB22.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+8.1%

แผนการกระจายความเสี่ยงที่มีความยืดหยุ่นสูงเป็นกุญแจสำคัญ

คาดการณ์กำไรสุทธิย้อนตัวใน 3Q20 จากการลดลงของค่าการตลาด

เราคาดว่ากำไรสุทธิของ PTG จะลดลง 5% q-q เหลือ 490ลบ. ใน 3Q20 (จาก 513ลบ. ใน 2Q20) เนื่องจาก (1) เราคาดว่าค่าการตลาดในธุรกิจสถานีบริการน้ำมันจะลดลง 0.1 บาทต่อลิตรเหลือ 1.9 บาทต่อลิตร ซึ่งทำให้เราคาดว่ากำไรสุทธิในธุรกิจดังกล่าวจะลดลง 120ลบ.; (2) ปริมาณขายน้ำมันจะเพิ่มขึ้นเป็น 1.198ล้านลิตร (ml) ใน 3Q20 โดยเพิ่มขึ้น 13% y-y และ 4% q-q แม้ว่าความต้องการจะลดลงตามฤดูกาล; (3) EBITDA จะปรับตัวดีขึ้นจากธุรกิจที่ไม่ใช่น้ำมันของ PTG ประกอบด้วยอาหารและเครื่องดื่ม (F&B) รวมถึง LPG; และ (4) กำไรสุทธิของธุรกิจไบโอดีเซลจะสูงขึ้นจาก ME-CPO Margin ที่เพิ่มขึ้นตามระดับความต้องการหลังประเทศไทยเปิดเศรษฐกิจ

ธุรกิจสถานีบริการน้ำมันยังมีความยืดหยุ่นสูงใน 3Q20

เราคาดว่าปริมาณขายน้ำมันของ PTG ผ่านสถานีบริการน้ำมันจะเพิ่มขึ้นใน 3Q20 โดยจะเพิ่ม 13% y-y และ 4% q-q เป็น 1.198ml จากการเพิ่มสถานีบริการ 6 แห่งเป็น 1,991 ใน 3Q20 PTG ยังคงแผนเพิ่มสถานีบริการน้ำมันเป็น 2,042 ภายในสิ้นปี 2020 สถานีบริการฯ ใหม่ส่วนมาก (47 จาก 90 ที่วางแผนเพิ่มใน 2020) มีกำหนดเปิดให้บริการใน 4Q20 เนื่องจากความล่าช้าด้านการก่อสร้างใน 2Q20 อันเป็นผลจากการแพร่ระบาด COVID-19

EBITDA ของธุรกิจที่ไม่ใช่น้ำมันมีแนวโน้มปรับตัวดีขึ้นหลังมาตรการปิดเมืองผ่อนคลาย

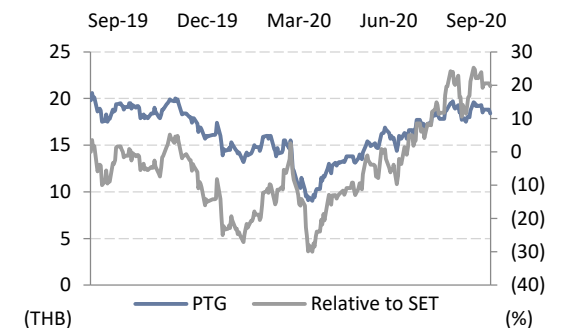
เราคาดว่า EBITDA ของ PTG จากธุรกิจที่ไม่ใช่น้ำมันและ Bio-Complex จะฟื้นตัวใน 3Q20 จาก (1) ปริมาณขาย F&B ที่สูงขึ้นสำหรับ PT และ CW Brand โดยเราคาดว่า EBITDA จะเข้าสู่จุดคุ้มทุนใน 3Q20 (จากที่เคยขาดทุนสุทธิใน 2Q20) จากปริมาณขายกาแฟที่เพิ่มขึ้น เราคาดว่าปริมาณขาย LPG ของ PTG จะเพิ่ม 28% m-m ใน ก.ค. และมีแนวโน้มเพิ่มขึ้นมากกว่า 20% q-q ใน 3Q20 จากการผ่อนคลายมาตรการปิดเมือง เราคาดว่ากำไรสุทธิจากธุรกิจ Biodiesel Complex ซึ่ง PTG มีหุ้นอยู่ 40% จะฟื้นตัวเป็น 40ลบ. ใน 3Q20 โดยมีปัจจัยหนุนสำคัญจากราคาของ CPO ซึ่งคาดว่าจะเพิ่มกว่า 10% q-q เป็น 23 บาทต่อกก. จากความต้องการไบโอดีเซลที่สูงขึ้นและสัดส่วนปริมาณขาย B10 ที่สูงขึ้นเป็น 40-45% (จาก 34% ใน 2Q20 และ 7% ใน 1Q20) จากประมาณการของเรา

หุ้นสถานีบริการน้ำมันที่น่าสนใจ

เราแนะนำซื้อ PTG ที่ราคาเป้าหมาย 22 บาท (SoTP) แม้เราจะคาดว่ากำไรสุทธิจะลดลง q-q ใน 3Q20 จากค่าการตลาดที่ลดลง เรามองว่ากำไรสุทธิจะฟื้นตัว q-q ใน 4Q20 และเพิ่มต่อเนื่องใน 2021 การฟื้นตัวดังกล่าวจะได้อานิสงส์จากการขยายสถานีบริการฯ ในปัจจุบัน ปริมาณขายน้ำมันที่สูงขึ้น และ EBITDA ที่เพิ่มขึ้นจากธุรกิจที่ไม่ใช่น้ำมัน ประกอบด้วย F&B (PT และ CW) และ LPG

KEY STOCK DATA

YE Dec (THB m)	2019	2020E	2021E	2022E
Revenue	120,183	90,861	123,126	134,726
Net profit	1,561	1,470	1,730	1,860
EPS (THB)	0.93	0.88	1.04	1.11
vs Consensus (%)	-	(7.8)	(2.0)	(4.6)
EBITDA	5,164	5,311	5,543	5,566
Core net profit	1,561	1,470	1,730	1,860
Core EPS (THB)	0.93	0.88	1.04	1.11
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	149.8	(5.8)	17.7	7.5
Core P/E (x)	19.7	20.9	17.8	16.5
Dividend yield (%)	-	-	0.8	1.1
EV/EBITDA (x)	7.6	7.3	6.3	5.6
Price/book (x)	4.6	4.2	3.7	3.3
Net debt/Equity (%)	127.2	108.2	50.3	5.5
ROE (%)	25.8	21.1	22.3	21.2



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(3.6)	15.3	(6.0)
Relative to country (%)	(2.9)	20.8	17.7
Mkt cap (USD m)	998		
3m avg. daily turnover (USD m)	13.1		
Free float (%)	48		
Major shareholder	Ratchakrit Holding (25%)		
12m high/low (THB)	21.70/8.95		
Issued shares (m)	1,670.00		

Sources: Bloomberg consensus; FSSIA estimates



Suwat Sinsadok

suwat.sin@fssia.com
+66 2611 3558

Siriluck Pinthusoonthorn

siriluck.pin@fssia.com
+66 2611 3562

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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 9 กันยายน 2020

Investment thesis

PTG is one of Thailand's leading service station plays, with 1,952 oil and mixed stations (6.3% of total stations in Thailand) and a 16.6% market share by volume in 1Q20. We think PTG's growth strategy is sound, focusing on not only volume growth from its existing oil stations and non-oil businesses, but also on backward integration in the methyl ester (ME), or B100, business in order to strengthen its business integration and diversification. We project PTG to have NP growth of 6% CAGR from FY19–22, with improvements in both growth and sustainability thanks to PTG's cost competitiveness, business agility, and a sound growth strategy for horizontal and vertical expansion.

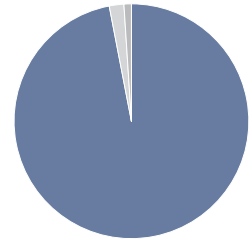
Company profile

PTG is one of the station plays in Thailand with backward integration in the biodiesel business, thereby diversifying its business portfolio. PTG's core business is retail fuel sales via its own fuel stations under the name of PT Station, mostly located along secondary roads, with fuel sales to the diesel-based truck segment. PTG's non-oil ventures consist of 1) convenience stores, (PT Max Mart); 2) a coffee house chain (PunThai); and 3) automotive stores (Autobacs).

www.ptgenergy.co.th

Principal activities (revenue, 2019)

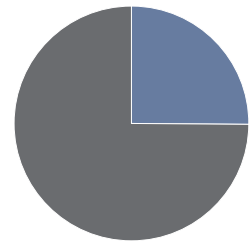
- Sales of petroleum products and others - 97.0 %
- Sales of consumable products - 2.0 %
- Transportation income - 1.0 %



Source: PTG Energy

Major shareholders

- Ratchakrit Holding - 25.1 %
- Others - 74.9 %



Source: PTG Energy

Catalyst

PTG has expanded its business via 1) organic and inorganic expansions in fuel service stations across the country; 2) expanding LPG service stations to serve LPG customers in the cooking gas and transportation segments; and 3) backward integration in the ME business via a JV in Palm Complex, an all-in-one palm oil manufacturing and distribution project, which includes upstream palm plantations and palm processing to produce biodiesel (B100) and cooking oil.

Risk to our call

The downside risks to our SoTP-based TP include 1) a government cap on oil prices; and 2) weaker demand for diesel and gasoline.

Event calendar

Date	Event
Nov 2020	3Q20 results announcement

Key assumptions

	2020E	2021E	2022E
Sales volume (m litres/year)	4,213	4,634	5,098
Marketing margin (THB/litre)	1.80	2.00	2.00
Oil stations (stations)	2,044	2,244	2,444
Biodiesel capacity (k litres/day)	500	500	500

Source: FSSIA estimates

Earnings sensitivity

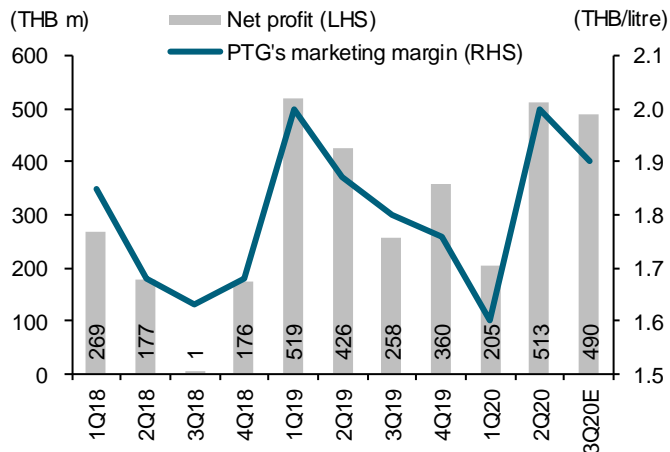
- For every 1% increase in marketing margin, we estimate 2020 earnings will rise by 4.3%, and vice versa, all else being equal.

Source: FSSIA estimates

Lower marketing margin led to NP softening q-q in 3Q20E

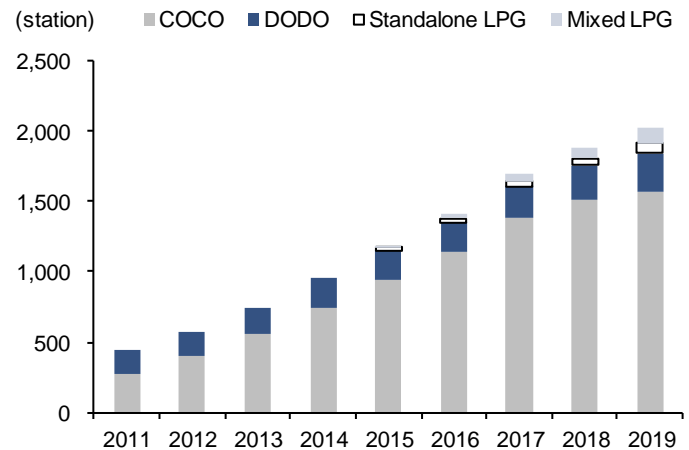
We project PTG's NP to soften by 5% q-q to THB490m in 3Q20, down from a NP of THB513m in 2Q20. We expect the main drag to be a THB0.1/litre q-q weaker MM from the oil station business, from THB2/litre in 2Q20 down to THB1.9/litre in 3Q20, due to the rising oil price. We estimate that the THB0.1/litre MM will reduce PTG's NP by THB120m.

Exhibit 1: Net profit vs marketing margin



Sources: PTG; FSSIA estimates

Exhibit 2: Number of stations – breakdown by type

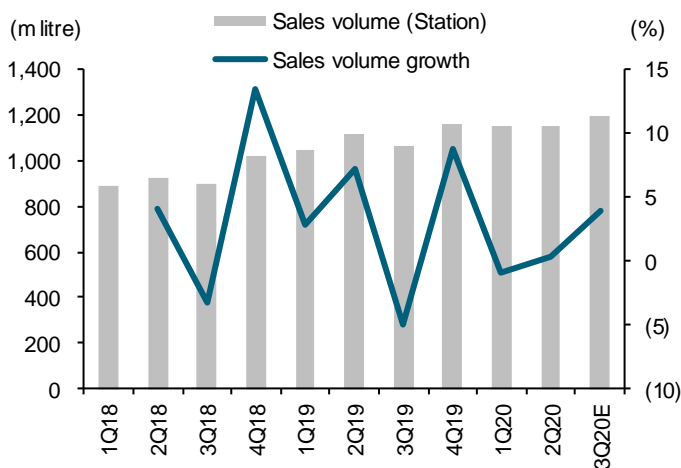


Sources: PTG; FSSIA estimates

However, we believe that PTG's NP will stay highly resilient in 2H20, as we expect the MM-driven NP decline to be mostly offset by:

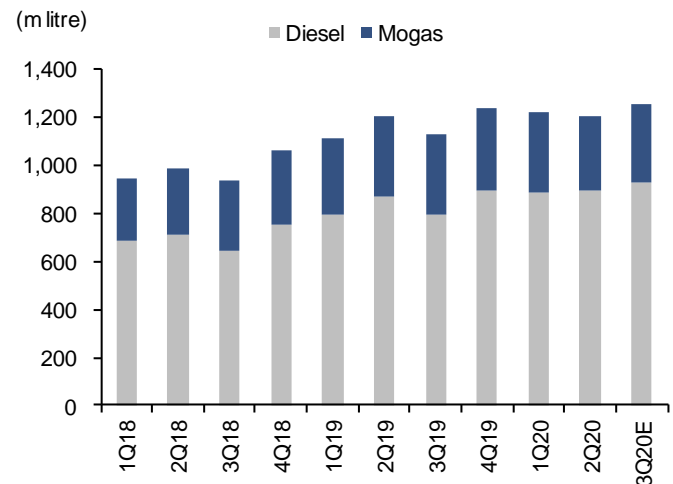
- 1) A higher oil sales volume to 1.198ml (+13% y-y, +4% q-q), up from 1.152ml in 2Q20, driven by the six new oil stations added in 3Q20, and higher sales volumes after the full easing of the lockdown and the cancellation of the curfew in Jul-20;
- 2) Improving non-oil EBITDA close to the breakeven level after net losses in 2Q20 due to the nation's lockdown;
- 3) A higher methyl ester (ME) over crude palm oil price (CPO) margin thanks to the improving demand following Thailand's economic reopening, as ME is a key transportation fuel that is blended in the production of biodiesel B10 (10% ME plus 90% diesel).

Exhibit 3: Total oil sales volume



Sources: PTG; FSSIA estimates

Exhibit 4: Total oil sales volume – breakdown by product type



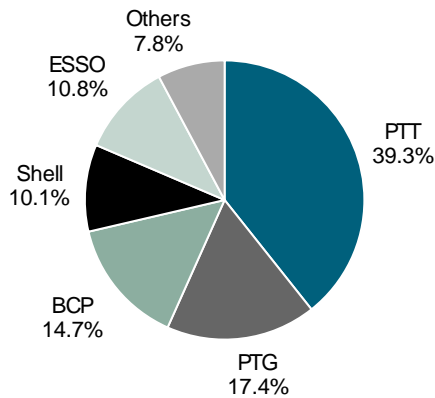
Sources: PTG; FSSIA estimates

Catalyst #1: Higher oil sales volume. We expect PTG's oil sales volume via its oil station channel to improve in 3Q20, rising by 13% y-y and 4% q-q to 1.198ml, due to the six new stations that were added in the quarter. According to management, the higher oil sales volume is a clear indication of PTG's correct strategy to grow its oil sales volume. Our projected 4% q-q higher sales volume is much better than the usual 10% q-q decline due to the rainy season in the third quarter.

PTG has expanded the number of its oil stations to 1,991 stations in 3Q20, up from 1,985 in 2Q20 and 1,919 in 3Q19. PTG is maintaining its plan to achieve its 2,042 station target by end-2020. Most of its new stations (47 out of 90 new stations added in 2020) are scheduled to be added in 4Q20, given the delayed construction works in 2Q20 as a result of the COVID-19 outbreak.

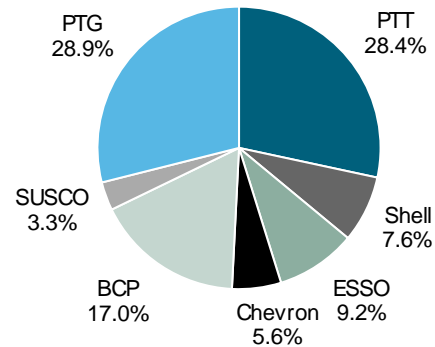
As PTG's target customers are mostly diesel-based truck drivers in rural provinces, accounting for 74% of PTG's total oil sales volume in 2Q20, we believe the demand recovery for diesel in 3Q20 will continue into 4Q20 and 2021, thanks to the rise in transportation and logistics traffic.

Exhibit 5: Retail market share – breakdown by sales volume as of 2Q20



Source: PTG

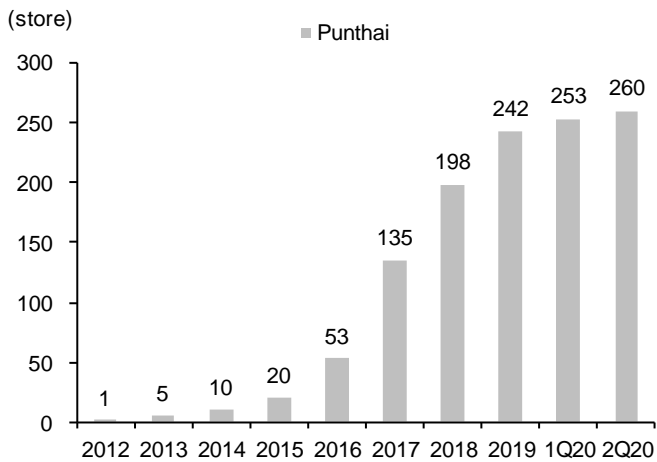
Exhibit 6: Oil stations – breakdown by major players in Thailand as of 2Q20



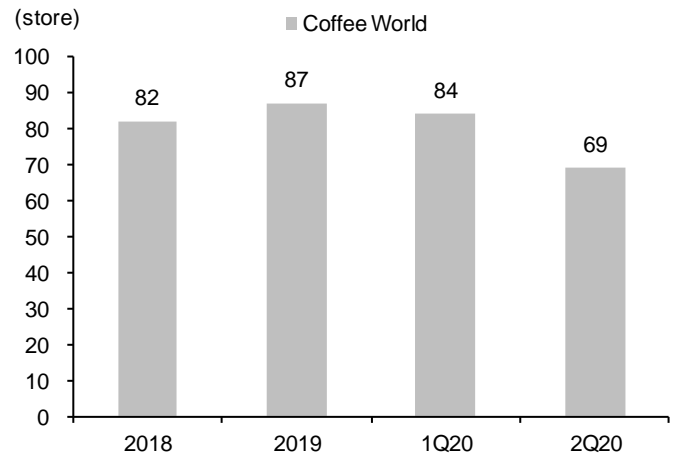
Source: PTG

Catalyst #2: Improving EBITDA of non-oil businesses. We project PTG's EBITDA from its non-oil and bio-complex businesses to recover in 3Q20, driven by 1) higher sales volumes of coffee from its self-developed 'PunThai' (PT) brand, and the acquired 'Coffee World' (CW) brand. According to management, both PT and CW are projected to reach EBITDA breakeven levels in 3Q20, up from net losses in 2Q20.

We estimate that the EBITDA and net profit breakeven levels in 3Q20 will be 80 cups per branch per day for PT and CW, based on the average ticket sales of THB60/ticket for PT and THB120/ticket for CW. Note that CW shops are mostly located in airports and shopping malls, and were therefore highly impacted by COVID-19 due to the nation's lockdown. However, PT shops are all located in PTG's own oil stations, and hence were less impacted by COVID-19 during the lockdown than CW's shops.

Exhibit 7: Number of PunThai shops (coffee shop)

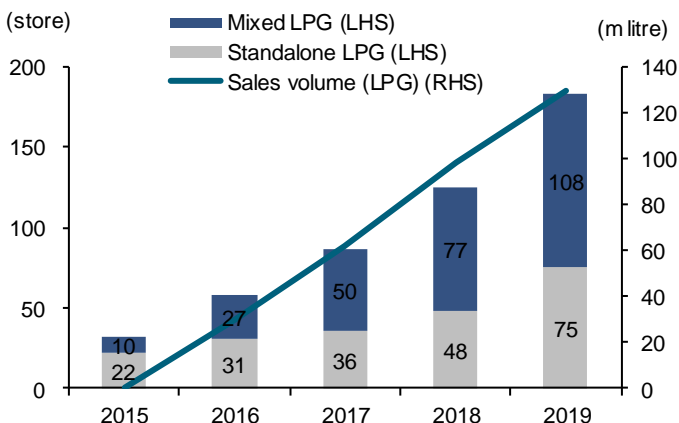
Source: PTG

Exhibit 8: Number of Coffee World shops (coffee shop)

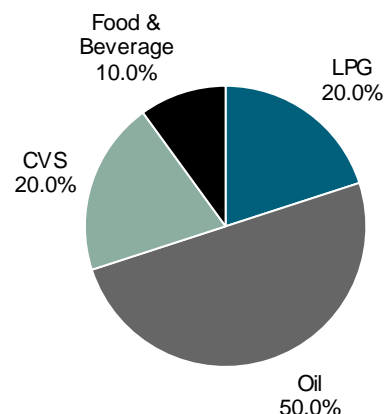
Source: PTG

LPG EBITDA is projected to rise sharply in 3Q20. Besides PTG's food and beverage (F&B) units, PT and CW, LPG was one of the main non-oil business drags on PTG's NP in 2Q20 due to the sharp drop in sales volume due to the nation's lockdown. However, project PTG's LPG sales volume to rise by 28% m-m in July and likely increase by more than 20% q-q in 3Q20, thanks to the easing of the lockdown and the faster-than-expected return to normal traffic levels in 3Q20 QTD.

Given LPG's THB2.2/litre MM, which is higher than the oil MM of THB1.8-2.0/litre, we expect PTG's EBITDA from LPG to rise to 3% of PTG's total EBITDA in 3Q20, up from less than 2% of total EBITDA in 2Q20. The key driver would be the higher LPG sales volume to 34ml in 3Q20E, up 20% q-q from 28ml in 2Q20. PTG expects to grow its household LPG sales volume to up to 10% of its total LPG sales volume in 2020, after its start-up in Mar-20. In the long term, PTG plans to boost its EBITDA from its LPG unit to 20% of total EBITDA by 2025, up from a mere 3% in 2019 and less than 2% in 2Q20.

Exhibit 9: Number of mixed stations, standalone LPG stations, and LPG sales volume

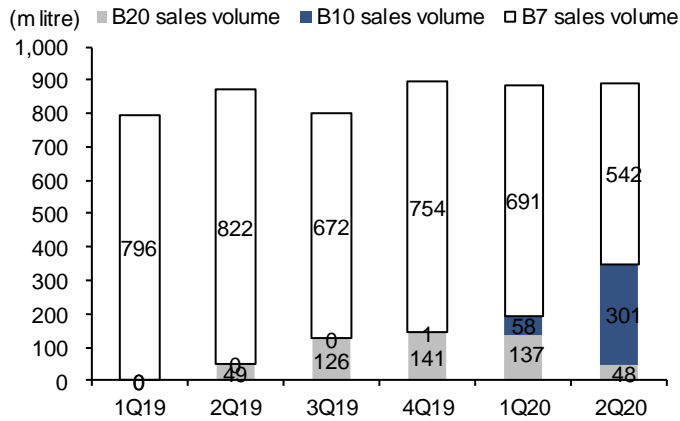
Source: PTG

Exhibit 10: Target EBITDA in 2025

Source: PTG

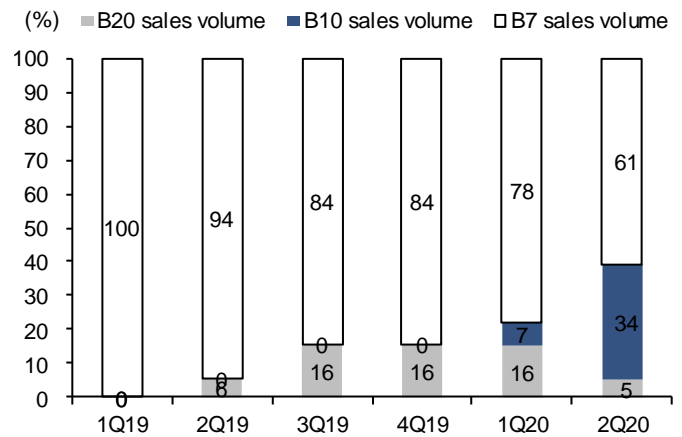
Catalyst #3: NP recovery from biodiesel in 3Q20. After posting a strong NP of THB165m in 1Q20 and a weak NP of THB5m in 2Q20, we expect the NP from PTG's 40%-owned biodiesel complex with a total capacity of 500klpd to recover meaningfully to THB40m in 3Q20. The key driver is the expected CPO price recovery by over 10% q-q to THB23/kg, driven by a higher demand for biodiesel and a higher B10 sales volume proportion to 40-45%, up from 34% in 2Q20 and 7% in 1Q20, based on our estimate.

Exhibit 11: Diesel sales volume breakdown by type



Source: PTG

Exhibit 12: Diesel sales volume breakdown by type (%)



Source: PTG

3Q20E NP preview

We project PTG's 3Q20 NP to soften to THB490m, down 5% q-q and up 90% y-y, dragged mainly by:

- A weaker marketing margin by THB0.1/litre q-q for the oil station business to THB1.9/litre, down from THB2/litre in 2Q20;
- A higher oil sales volume to 1.198ml, up 13% y-y and 4% q-q;
- Improving EBITDA from PTG's non-oil businesses, including the F&B units of PT and CW, as well as LPG;
- Stronger NP from biodiesel to THB40m in 3Q20, up from THB5m in 2Q20, based on our projected 100% utilization rate for the biodiesel complex.

Exhibit 13: Summary of 3Q20E operations

	3Q19	2Q20	3Q20E			2020E	Comments
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	
Revenue	28,485	22,257	22,000	(1.2)	(22.8)	90,861	Lower due to lower oil price
Operating costs	(27,317)	(20,611)	(20,385)	(1.1)	(25.4)	(85,550)	
EBITDA	1,168	1,646	1,615	(1.9)	38.3	5,311	Lower q-q due to lower marketing margin
EBITDA margin (%)	4.1	7.4	7	nm	nm	5.8	
Depn & amort.	(771)	(730)	(720)	(1.3)	(6.7)	(3,238)	
EBIT	397	924	895	(3.1)	125.4	2,073	
Interest expense	(84)	(268)	(265)	(1.1)	214.3	(328)	
Interest & invt inc	(3)	0	1	nm	(133.3)	0	
Associates' contrib	7	12	15	28.3	130.2	0	
Exceptionals	8	14	15	7.8	77.1	72	
Pretax profit	313	656	630	(3.9)	101.5	1,817	Lower q-q due to lower marketing margin
Tax	(55)	(143)	(140)	(2.0)	156.8	(347)	
Tax rate (%)	17.4	21.8	22.2	2.0	27.5	19.1	
Minority interests	(2)	(3)	(2)	(34.2)	19.5	0	
Net profit	258	513	490	(4.5)	89.8	1,470	
Core profit	250	499	475	(4.8)	90.2	1,470	
EPS (THB)	0.15	0.31	0.29	(4.5)	89.8	0.88	
Core EPS (THB)	0.15	0.30	0.28	(4.8)	90.2	0.88	

Sources: PTG; FSSIA estimates

Valuation

We maintain our BUY rating and SoTP-based TP of THB22. We think PTG remains attractive as a leading oil station play, and we project its NP growth momentum to accelerate in 2H20. While we project 3Q20 NP to soften q-q due to the lower MM, we think PTG's 4Q20 NP will rebound q-q, and continue to strengthen in 2021. The recovery should be driven by PTG's ongoing station expansion, rising oil sales volumes, and the improving EBITDA from its non-oil businesses, including both F&B (PT and CW) and LPG.

Exhibit 14: Peer comparisons for oil station operators

Company	BBG code	Rec	Share price	Target price	Upside	Market cap	3Y EPS CAGR	PE		ROE		PBV		EV / EBITDA	
								20E	21E	20E	21E	20E	21E	20E	21E
			(Local curr)	(Local curr)	(%)	(USD m)	(%)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)
THAILAND															
PTG Energy Pcl	PTG TB	BUY	18.40	22.00	20	998	8.7	20.9	17.8	21.1	22.3	4.2	3.7	7.3	6.3
Susco Public	SUSCO TB	NA	2.84	NA	NA	92	(0.3)	14.2	8.9	5.8	8.3	0.8	0.7	7.7	6.1
Esso Thailand Pcl	ESSO TB	BUY	6.40	9.90	55	704	(204.3)	(7.9)	6.3	(13.7)	17.1	1.2	1.2	45.8	5.1
Bangchak Corp	BCP TB	BUY	17.00	45.00	165	734	(0.6)	3.5	4.1	13.8	11.3	0.5	0.5	4.6	4.6
Siamgas & Petro	SGP TB	NA	8.75	NA	NA	513	NA	NA	NA	NA	NA	NA	NA	NA	NA
Thailand avg						3,041	(45.0)	6.2	8.5	7.1	14.2	1.8	1.6	14.4	4.5
Malaysia															
Petronas Dagangan	PETD MK	NA	21.68	NA	NA	5,010	(5.3)	59.6	29.8	6.0	11.8	3.5	3.4	21.7	13.9
Malaysia avg						5,010	(5.3)	59.6	29.8	6.0	11.8	3.5	3.4	21.7	13.9
Oil station under coverage															
Average (all)						8,051	(20.2)	39.5	21.8	6.4	12.7	2.9	2.7	19.0	10.4

Share prices as of 08 September 2020

Sources: Bloomberg; FSSIA estimates

Exhibit 15: SoTP target price

PTG valuation	THB m	THB/shr	Comments
Oil stations	36,984	22.1	At 25x FY21E P/E
Biodiesel	3,516	2.2	At 14x FY21E P/E
Net debt	(3,783)	(2.3)	FY21E net debt
Total value	36,717	22.0	

Source: FSSIA estimates

Financial Statements

PTG Energy

Profit and Loss (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Revenue	107,974	120,183	90,861	123,126	134,726
Cost of goods sold	(97,906)	(107,111)	(78,871)	(109,407)	(120,065)
Gross profit	10,068	13,072	11,989	13,719	14,661
Other operating income	-	-	-	-	-
Operating costs	(6,711)	(7,907)	(6,679)	(8,176)	(9,095)
Operating EBITDA	3,357	5,164	5,311	5,543	5,566
Depreciation	(2,480)	(3,015)	(3,238)	(3,238)	(3,238)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	878	2,149	2,073	2,305	2,328
Net financing costs	(290)	(335)	(328)	(242)	(109)
Associates	(12)	40	0	0	0
Recurring non operating income	155	108	72	76	80
Non recurring items	0	0	0	0	0
Profit before tax	743	1,923	1,817	2,139	2,299
Tax	(120)	(359)	(347)	(408)	(439)
Profit after tax	624	1,563	1,470	1,730	1,860
Minority interests	1	(3)	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	625	1,561	1,470	1,730	1,860
Non recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	625	1,561	1,470	1,730	1,860
Per share (THB)					
Recurring EPS *	0.37	0.93	0.88	1.04	1.11
Reported EPS	0.37	0.93	0.88	1.04	1.11
DPS	0.00	0.00	0.00	0.15	0.20
Diluted shares (used to calculate per share data)	1,670	1,670	1,670	1,670	1,670
Growth					
Revenue (%)	27.5	11.3	(24.4)	35.5	9.4
Operating EBITDA (%)	16.4	53.8	2.8	4.4	0.4
Operating EBIT (%)	(17.9)	144.8	(3.6)	11.2	1.0
Recurring EPS (%)	(31.6)	149.8	(5.8)	17.7	7.5
Reported EPS (%)	(31.6)	149.8	(5.8)	17.7	7.5
Operating performance					
Gross margin inc depreciation (%)	7.0	8.4	9.6	8.5	8.5
Gross margin of key business (%)	0.1	0.1	0.1	0.1	0.1
Operating EBITDA margin (%)	3.1	4.3	5.8	4.5	4.1
Operating EBIT margin (%)	0.8	1.8	2.3	1.9	1.7
Net margin (%)	0.6	1.3	1.6	1.4	1.4
Effective tax rate (%)	15.8	19.1	19.1	19.1	19.1
Dividend payout on recurring profit (%)	-	-	-	14.5	18.0
Interest cover (X)	3.6	6.7	6.5	9.8	22.1
Inventory days	7.0	6.8	8.9	6.5	7.2
Debtor days	-	-	-	-	-
Creditor days	-	-	-	-	-
Operating ROIC (%)	8.3	17.8	15.4	20.1	30.8
ROIC (%)	5.6	10.8	9.5	11.6	14.5
ROE (%)	11.8	25.8	21.1	22.3	21.2
ROA (%)	4.2	8.2	7.8	9.1	9.6

* Pre-exceptional, pre-goodwill and fully diluted

Revenue By Division (THB m)	2018	2019	2020E	2021E	2022E
Sales of petroleum products and others	106,666	116,535	90,811	122,295	133,418
Sales of consumable products	1,208	2,415	0	792	1,208
Transportation income	100	1,233	50	39	100

Sources: PTG Energy; FSSIA estimates

Financial Statements

PTG Energy

Cash Flow (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Recurring net profit	625	1,561	1,470	1,730	1,860
Depreciation	2,480	3,015	3,238	3,238	3,238
Associates & minorities	168	69	72	76	80
Other non-cash items	-	-	-	-	-
Change in working capital	1,847	(1,354)	(1,605)	703	61
Cash flow from operations	5,119	3,291	3,175	5,747	5,238
Capex - maintenance	(663)	(873)	(1,028)	(1,182)	(1,336)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(3,898)	(2,392)	(480)	192	852
Cash flow from investing	(4,561)	(3,265)	(1,508)	(990)	(483)
Dividends paid	(284)	(334)	(835)	(752)	(868)
Equity finance	0	0	0	0	0
Debt finance	977	1,063	(857)	(2,711)	(3,000)
Other financing cash flows	(1,169)	(725)	(250)	(241)	(220)
Cash flow from Financing	(475)	4	(1,942)	(3,703)	(4,088)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	83	29	(275)	1,054	667
Free cash flow to firm (FCFF)	847.83	360.06	1,994.59	4,999.16	4,864.18
Free cash flow to equity (FCFE)	366.44	363.08	560.16	1,805.55	1,534.99
Per share (THB)					
FCFF per share	0.51	0.22	1.19	2.99	2.91
FCFE per share	0.22	0.22	0.34	1.08	0.92
Recurring cash flow per share	1.96	2.78	2.86	3.02	3.10
Balance Sheet (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Tangible fixed asset (gross)	15,931	17,970	19,970	21,970	23,970
Less: Accumulated depreciation	(4,905)	(6,511)	(10,063)	(14,146)	(18,760)
Tangible fixed assets (Net)	11,026	11,458	9,907	7,824	5,210
Intangible fixed assets (Net)	210	214	214	214	214
Long-term financial assets	-	-	-	-	-
Invest. In associates & subsidiaries	2,586	2,570	2,570	2,570	2,570
Cash & equivalents	1,009	1,038	763	1,817	2,484
A/C receivable	0	0	0	0	0
Inventories	1,758	2,217	1,633	2,265	2,485
Other current assets	1,170	1,595	2,231	2,577	2,882
Current assets	3,937	4,850	4,626	6,658	7,851
Other assets	3,180	3,559	3,559	3,559	3,559
Total assets	20,940	22,652	20,877	20,826	19,405
Common equity	5,444	6,648	7,283	8,262	9,253
Minorities etc.	32	60	60	60	60
Total Shareholders' equity	5,476	6,707	7,343	8,322	9,313
Long term debt	3,986	3,857	3,000	2,000	2,000
Other long-term liabilities	585	474	474	474	474
Long-term liabilities	4,572	4,330	3,474	2,474	2,474
A/C payable	0	0	0	0	0
Short term debt	4,518	5,711	5,711	4,000	1,000
Other current liabilities	6,374	5,904	4,350	6,031	6,618
Current liabilities	10,892	11,614	10,060	10,031	7,618
Total liabilities and shareholders' equity	20,940	22,652	20,877	20,826	19,405
Net working capital	(3,446)	(2,092)	(486)	(1,189)	(1,250)
Invested capital	13,557	15,710	15,764	12,978	10,303
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	3.26	3.98	4.36	4.95	5.54
Tangible book value per share	3.13	3.85	4.23	4.82	5.41
Financial strength					
Net debt/Equity (%)	136.9	127.2	108.2	50.3	5.5
Net debt/total assets (%)	35.8	37.7	38.1	20.1	2.7
Current ratio (x)	0.4	0.4	0.5	0.7	1.0
CF interest cover (x)	2.3	2.1	2.7	8.5	15.1
Valuation	2018	2019	2020E	2021E	2022E
Recurring P/E (x) *	49.2	19.7	20.9	17.8	16.5
Recurring P/E @ target price (x) *	58.8	23.5	25.0	21.2	19.8
Reported P/E (x)	49.2	19.7	20.9	17.8	16.5
Dividend yield (%)	-	-	-	0.8	1.1
Price/book (x)	5.6	4.6	4.2	3.7	3.3
Price/tangible book (x)	5.9	4.8	4.3	3.8	3.4
EV/EBITDA (x) **	11.4	7.6	7.3	6.3	5.6
EV/EBITDA @ target price (x) **	13.2	8.8	8.4	7.4	6.7
EV/invested capital (x)	2.8	2.5	2.5	2.7	3.0
* Pre-exceptional & pre-goodwill are fully diluted ** EBITDA includes associate income and recurring non operating income					

Sources: PTG Energy; 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	GGC	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	SEAOL	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	DCO	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	SMPG	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
WIUK	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:

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* 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	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)

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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

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ANALYST(S) CERTIFICATION

Suwat Sinsadok FSS International Investment Advisory Securities Co., Ltd

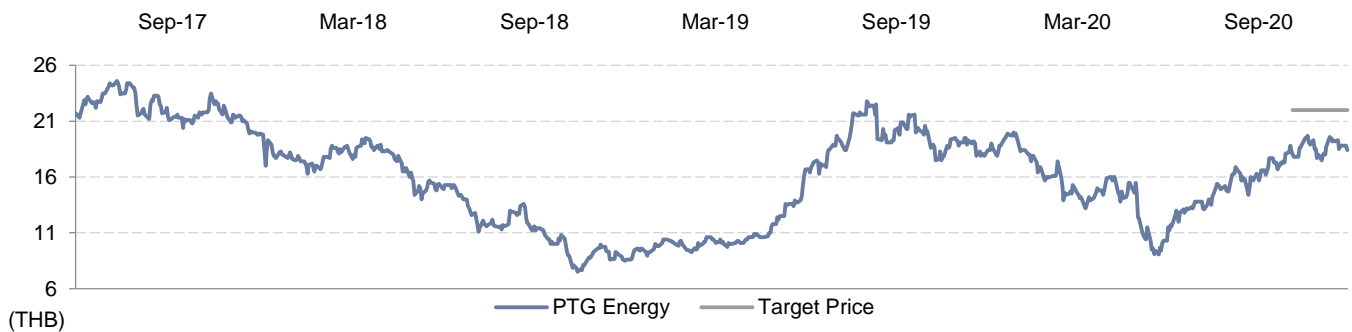
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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History of change in investment rating and/or target price

PTG Energy (PTG TB)



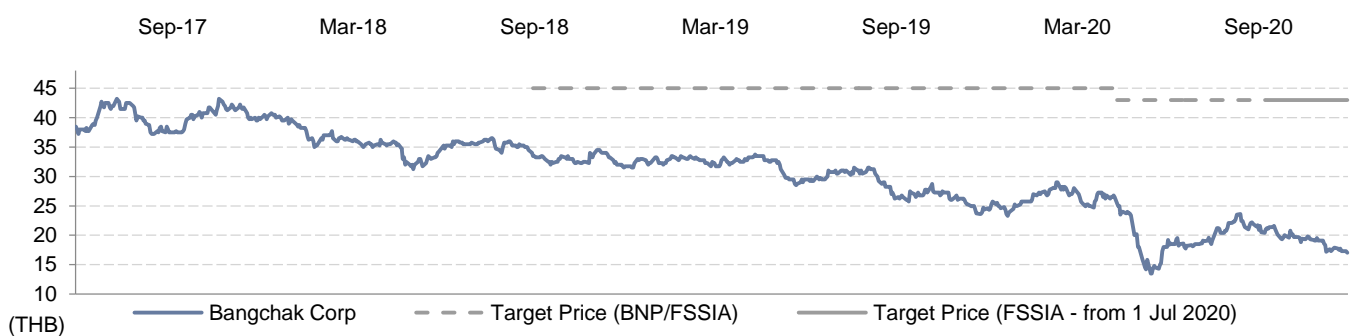
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
22-Jul-2020	BUY	22.00	-	-	-	-	-	-

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

Price and TP are in local currency

Source: FSSIA estimates

Bangchak Corp (BCP TB)



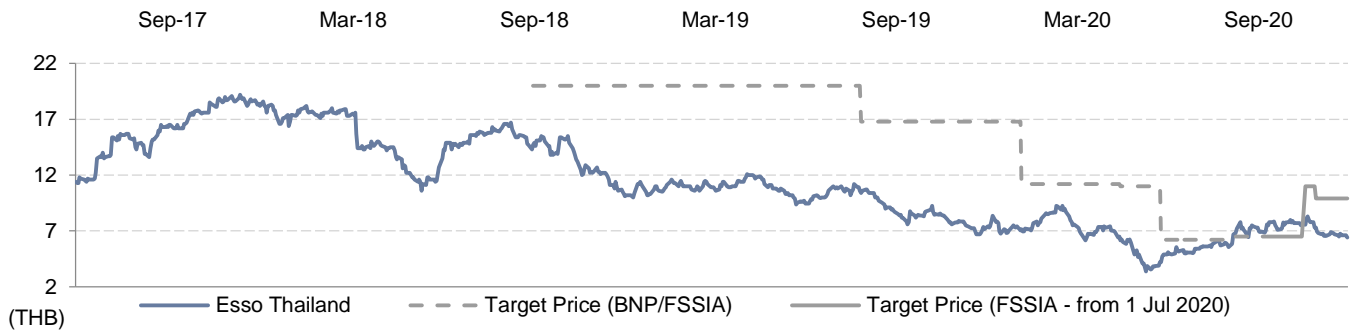
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
09-Oct-2018	BUY	45.00	08-Nov-2019	BUY	45.00	20-Feb-2020	BUY	43.00

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

Price and TP are in local currency

Source: FSSIA estimates

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	31-Jul-2020	BUY	11.00
03-Dec-2019	BUY	11.20	26-May-2020	BUY	6.50	11-Aug-2020	BUY	9.90

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
PTG Energy	PTG TB	THB 18.40	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.
Bangchak Corp	BCP TB	THB 17.00	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.
Esso Thailand	ESSO TB	THB 6.40	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.

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 08-Sep-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.