

6 NOVEMBER 2020

THAILAND / OIL &amp; GAS

## THAI OIL TOP TB

BUY

UNCHANGED

TARGET PRICE	THB62.00
CLOSE	THB36.75
UP/DOWNSIDE	+68.7%
TP vs CONSENSUS	+45.3%

## ธุรกิจไฟฟ้าดีขึ้น แต่กำไรสุทธิจากธุรกิจโรงกลั่นลดลง

## ขาดทุนจากการดำเนินงานเป็นจำนวนมากในไตรมาส 3Q20

TOP รายงานผลขาดทุนสุทธิจากการดำเนินงาน (Core Net Loss หรือ NL) จำนวน 1.97 พัน ลบ. เทียบกับกำไรสุทธิจำนวน 160 ลบ. ในไตรมาส 2Q20 ผลประกอบการดังกล่าวต่ำกว่าตลาดคาด 20% และต่ำกว่าที่เราคาด 11% เนื่องจาก 1) ธุรกิจโรงกลั่นรายงานผลขาดทุนสุทธิจำนวน 715 ลบ. ลดลงจากที่เคยมีกำไรสุทธิ 1.25 พัน ลบ. ในไตรมาส 2Q20 เนื่องจาก Market Gross Refining Margin (GRM) ลดลง q-q; และ 2) กำไรจากธุรกิจที่ไม่ใช่โรงกลั่นลดลงเหลือ 1.43 พัน ลบ. เพิ่มขึ้น 16% q-q จากผลประกอบการธุรกิจผลิตน้ำมันหล่อลื่นและอะโม่เมติกส์ที่ดีขึ้นและกำไรสุทธิจากธุรกิจโรงไฟฟ้าที่สูงขึ้น กำไรสุทธิไตรมาส 3Q20 อยู่ที่ 715 ลบ. จากกำไรก่อนภาษีจากสินค้าคงคลังจำนวน 3.4 พัน ลบ. (ประกอบด้วยกำไรจากสินค้าคงคลังจำนวน 2.99 พัน ลบ. และกำไร 378 ลบ. จากการกลับรายการตีราคาสินค้าที่ราคาหุ้นหรือราคาตลาดแล้วแต่ว่าราคาใดจะต่ำกว่า), ผลขาดทุนจากอัตราแลกเปลี่ยน 453 พัน ลบ. และกำไรสุทธิ 33 ลบ. จากการตีมูลค่าสินค้าให้สะท้อนราคาตลาด

## กำไรสุทธิจากธุรกิจที่ไม่ใช่โรงกลั่นที่สูงขึ้นช่วยชดเชยผลขาดทุนจากการดำเนินงานในธุรกิจโรงกลั่น

ธุรกิจโรงกลั่นรายงานผลขาดทุนสุทธิจำนวน 715 ลบ. เนื่องจาก 1) Market GRM อยู่ที่ - USD1.1/bbl ลดลงจาก USD1.4/bbl ในไตรมาส 2Q20 เนื่องจาก Crude Premium สูงขึ้น q-q Gross Integrated Margin (GIM) ทางบัญชีอยู่ที่ USD4.9/bbl เพิ่มขึ้นจาก USD1.1/bbl ในไตรมาส 2Q20 จากกำไรสินค้าคงคลังที่สูงถึง USD3.9/bbl หักกำไรจากสินค้าคงคลัง (ก่อนภาษี) จำนวน 3.4 พัน ลบ. เราคาดว่าธุรกิจโรงกลั่นจะมีผลขาดทุนสุทธิอยู่ที่ 2.7 พัน ลบ. ในไตรมาส 3Q20 กำไรสุทธิจากธุรกิจอะโม่เมติกส์ลดลงเหลือ 16 ลบ. จาก 514 ลบ. ในไตรมาส 2Q20 เนื่องจาก Paraxylene-Gasoline Spread ลดลง และอัตราการใช้กำลังการผลิตลดลงเหลือ 56% เทียบกับ 75% ในไตรมาส 2Q20 ธุรกิจผลิตน้ำมันหล่อลื่นรายงานกำไรสุทธิ 375 ลบ. เพิ่มขึ้นจากผลขาดทุนสุทธิ 139 ลบ. ในไตรมาส 2Q20 เนื่องจาก Product-to-Feed Margin เพิ่มขึ้นเป็น USD100/t (+317% q-q) ในขณะที่อัตราการใช้กำลังการผลิตทรงตัว q-q ที่ 89% กำไรสุทธิของธุรกิจผลิตไฟฟ้าเพิ่มขึ้นเป็น 833 ลบ. จาก 716 ลบ. ในไตรมาส 2Q20 เนื่องจากกำไรสุทธิของ Xaiyaburi hydropower plant เพิ่มขึ้น และบริษัทฯ ได้รับเงินปันผลจาก Ratchaburi

## น้ำมันอากาศยานจะยังคงเป็นปัจจัยลบในไตรมาส 4Q20

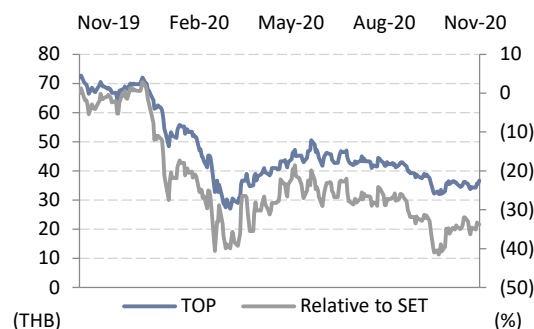
เราคาดว่ากำไรสุทธิจะเริ่มดีขึ้นในไตรมาส 4Q20 จาก Market GRM ที่คาดว่าจะดีขึ้นตาม Product Margins ที่สูงขึ้น ค่าระวางที่เพิ่มขึ้น อัตราการใช้กำลังการผลิตและกำไรสินค้าคงคลังที่สูงขึ้น q-q ซึ่งจะช่วยชดเชย Crude Premiums ที่คาดว่าจะสูงขึ้น อย่างไรก็ตาม เราคาดว่า Market GRM ของ TOP จะได้รับผลกระทบอย่างต่อเนื่องจาก Jet-Dubai Margin ที่ตกต่ำเนื่องจากบริษัทฯ ต้องผลิตน้ำมันอากาศยาน โดยมีสัดส่วนการผลิตอยู่ที่ 9% เทียบกับ 0% ของโรงกลั่นในประเทศรายอื่น

## แนวโน้มมูลค่าความหวังมากยิ่งขึ้นในไตรมาส 4Q20

เราคงคำแนะนำซื้อและคาดว่า Market GRM ของ TOP จะเริ่มปรับตัวดีขึ้นตั้งแต่เดือน ก.ย. 2020 ก่อนเพิ่มขึ้นในไตรมาส 4Q20 จาก Product Margins ที่สูงขึ้นและค่าระวางที่ลดลง h-h ซึ่งจะช่วยชดเชย Crude Premiums ที่คาดว่าจะเพิ่มสูงขึ้น

## KEY STOCK DATA

YE Dec (THB m)	2019	2020E	2021E	2022E
Revenue	362,179	200,827	252,908	267,465
Net profit	5,932	6,550	13,804	16,119
EPS (THB)	2.91	3.21	6.77	7.90
vs Consensus (%)	-	282.4	139.0	111.9
EBITDA	15,127	24,049	35,833	39,953
Core net profit	5,932	6,550	13,804	16,119
Core EPS (THB)	2.91	3.21	6.77	7.90
EPS growth (%)	(41.6)	10.4	110.7	16.8
Core P/E (x)	12.6	11.4	5.4	4.7
Dividend yield (%)	4.1	3.9	8.3	9.7
EV/EBITDA (x)	8.5	6.8	6.0	6.0
Price/book (x)	0.6	0.6	0.6	0.5
Net debt/Equity (%)	36.9	62.0	94.8	104.7
ROE (%)	4.8	5.2	10.4	11.5



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	11.4	(17.4)	(46.4)
Relative to country (%)	9.5	(12.6)	(31.0)
Mkt cap (USD m)	2,429		
3m avg. daily turnover (USD m)	13.9		
Free float (%)	45		
Major shareholder	PTT plc. (49%)		
12m high/low (THB)	73.50/25.25		
Issued shares (m)	2,040.03		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 6 พฤศจิกายน 2020

## Exhibit 1: Summary of 3Q20/9M20 operations

	3Q19	2Q20	3Q20		9M19	9M20	Chg.	2020E	Comments	
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)		(THB m)
<b>Revenue</b>	<b>83,034</b>	<b>50,523</b>	<b>58,422</b>	<b>15.6</b>	<b>(29.6)</b>	<b>267,387</b>	<b>186,775</b>	<b>(30.1)</b>	<b>200,827</b>	Higher q-q due to higher oil price
Operating costs	(82,539)	(50,030)	(57,691)	15.3	(30.1)	(257,408)	(195,080)	(24.2)	(174,368)	Lower y-y cost due to lower oil price
<b>EBITDA</b>	<b>945</b>	<b>2,881</b>	<b>3,819</b>	<b>32.6</b>	<b>304.1</b>	<b>9,906</b>	<b>(5,548)</b>	<b>(156.0)</b>	<b>24,049</b>	Higher due to higher GIM
EBITDA margin (%)	1.1	5.7	6.5	nm	nm	3.7	(3.0)	nm	12.0	Higher due to higher GIM
Depreciation & amort	(1,781)	(2,109)	(2,218)	5.2	24.6	(5,355)	(6,455)	20.5	(14,217)	
EBIT	197	4,141	1,994	(51.8)	910.0	8,807	(10,010)	(213.7)	9,832	
Interest expense	(1,041)	(1,029)	(1,172)	13.9	12.5	(3,452)	(3,306)	(4.2)	(3,770)	
Interest & invt inc	527	315	214	(32.0)	(59.3)	1,864	928	(50.2)	1,105	
Associates' contrib	297	699	846	21.1	185.0	1,000	2,129	113.0	1,315	Higher net profit from GPSC
Exceptional	451	2,388	3,088	nm	nm	(73)	2,757	nm	-	Higher due to inventory gain
<b>Pretax profit</b>	<b>431</b>	<b>6,514</b>	<b>4,972</b>	<b>(23.7)</b>	<b>nm</b>	<b>8,146</b>	<b>(7,502)</b>	<b>(192.1)</b>	<b>8,482</b>	Lower q-q due to lower GRM
Tax	222	(495)	(33)	(93.4)	(114.7)	(895)	3,031	(438.8)	(1,696)	
Tax rate (%)	-51.5	7.6	0.7	nm	nm	11.0	40.4	nm	20.0	
Minority interests	(60)	(136)	(75)	(45.0)	24.6	(168)	(274)	62.5	(235)	
<b>Net profit</b>	<b>(683)</b>	<b>2,480</b>	<b>715</b>	<b>(71.2)</b>	<b>nm</b>	<b>4,293</b>	<b>(10,559)</b>	<b>(346.0)</b>	<b>6,550</b>	11% below our estimate, 20% below BBG consensus
<b>Core profit</b>	<b>608</b>	<b>160</b>	<b>(1,972)</b>	<b>nm</b>	<b>(424.3)</b>	<b>2,683</b>	<b>(2,157)</b>	<b>(180.4)</b>	<b>6,550</b>	
EPS (THB)	(0.33)	1.22	0.35	(71.2)	(204.8)	2.10	(5.18)	(346.0)	3.21	
Core EPS (THB)	0.30	0.08	(0.97)	(1,332.5)	(424.3)	1.32	(1.06)	(180.4)	3.21	

Sources: TOP; FSSIA estimates

## Exhibit 2: 3Q20/9M20 net profit breakdown

Net profit	3Q19	2Q20	3Q20	Change		9M19	9M20	Chg.
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
<b>Consolidated</b>	<b>(683)</b>	<b>2,480</b>	<b>715</b>	<b>(71)</b>	<b>(205)</b>	<b>4,293</b>	<b>(10,559)</b>	<b>(346)</b>
- Refinery	(1,108)	1,248	(715)	(157)	(35)	1,419	(14,727)	(1,138)
- Aromatics	(181)	514	16	(97)	(109)	634	989	56
- Lube	187	(139)	375	(370)	101	565	520	(8)
- Stock gain/loss	(1,373)	(1,404)	4,390	(413)	(420)	963	(9,190)	(1,054)
- Power and others								
Power	467	716	833	16	78	1,521	2,135	40
Solvent	(60)	40	73	83	(222)	(19)	150	(889)
Marine transport	(19)	48	2	(96)	(111)	(91)	34	(137)
Ethanol	(2)	-	9	nm	(550)	(3)	38	(1,367)
Others	40	64	100	56	150	148	287	94

Sources: TOP; FSSIA estimates

## Exhibit 3: 3Q20/9M20 key quarterly drivers

Margin breakdown	Unit	3Q19	2Q20	3Q20	Change		9M19	9M20	Chg.
					(q-q %)	(y-y %)			(y-y %)
GIM (excl. stock gain/loss)	USD/bbl	5.1	2.9	1.0	(66)	(80)	4.9	2.0	(59)
GIM (incl. stock gain/loss)	USD/bbl	3.3	1.1	4.9	345	48	5.2	(1.8)	(135)
Stock gain/loss	USD/bbl	(1.8)	(1.8)	3.9	(317)	(317)	963.0	(9,190.0)	(1,054)
Refinery market GRM	USD/bbl	4.1	1.4	(1.1)	(179)	(127)	3.2	0.1	(97)
Spread PX- ULG 95	USD/tonne	194.0	214.0	143.0	(33)	(26)	325	192	(41)
Spread BZ-ULG95	USD/tonne	60.0	90.0	25.0	(72)	(58)	22	80	264
Product to feed - aromatics	USD/tonne	42.0	77.0	68.0	(12)	62	93	77	(17)
Spread 500SN-HSFO	USD/tonne	283.0	372.0	340.0	(9)	20	300	360	20
Product to feed - lube	USD/tonne	83.0	24.0	100.0	317	20	79	70	(11)
<b>Utilisation</b>		<b>3Q19</b>	<b>2Q20</b>	<b>3Q20</b>	<b>%pts q-q</b>	<b>%pts y-y</b>	<b>9M19</b>	<b>9M20</b>	<b>%pts y-y</b>
Refinery	%	97	98	93	(5)	(4)	105	101	(4)
Aromatics	%	54	75	56	(19)	2	70	71	1
Lube	%	81	89	89	-	8	85	86	1
Marine	%	95	100	100	-	5	90	96	6
Solvent	%	130	128	104	(24)	(26)	121	111	(10)
Ethanol - Sapthip	%	102	83	107	24	5	102	99	(3)
Ethanol - Ubon Bio	%	114	66	80	14	(34)	89	82	(7)

Sources: TOP; FSSIA estimates

## Financial Statements

Thai Oil

Profit and Loss (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Revenue	389,344	362,179	200,827	252,908	267,465
Cost of goods sold	(365,864)	(344,368)	(174,368)	(214,040)	(224,303)
<b>Gross profit</b>	<b>23,479</b>	<b>17,811</b>	<b>26,459</b>	<b>38,868</b>	<b>43,162</b>
Other operating income	-	-	-	-	-
Operating costs	(2,782)	(2,684)	(2,410)	(3,035)	(3,210)
<b>Operating EBITDA</b>	<b>20,698</b>	<b>15,127</b>	<b>24,049</b>	<b>35,833</b>	<b>39,953</b>
Depreciation	(7,264)	(11,388)	(14,217)	(17,140)	(18,533)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>13,434</b>	<b>3,739</b>	<b>9,832</b>	<b>18,693</b>	<b>21,419</b>
Net financing costs	(2,259)	2,718	(2,665)	(2,524)	(2,427)
Associates	1,193	1,253	1,315	1,381	1,450
Recurring non operating income	1,193	1,253	1,315	1,381	1,450
Non recurring items	0	0	0	0	0
<b>Profit before tax</b>	<b>12,367</b>	<b>7,709</b>	<b>8,482</b>	<b>17,550</b>	<b>20,443</b>
Tax	(1,983)	(1,542)	(1,696)	(3,510)	(4,089)
<b>Profit after tax</b>	<b>10,384</b>	<b>6,167</b>	<b>6,786</b>	<b>14,040</b>	<b>16,354</b>
Minority interests	(235)	(235)	(235)	(235)	(235)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>10,149</b>	<b>5,932</b>	<b>6,550</b>	<b>13,804</b>	<b>16,119</b>
<b>Non recurring items &amp; goodwill (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>10,149</b>	<b>5,932</b>	<b>6,550</b>	<b>13,804</b>	<b>16,119</b>
<b>Per share (THB)</b>					
Recurring EPS *	4.97	2.91	3.21	6.77	7.90
Reported EPS	4.97	2.91	3.21	6.77	7.90
DPS	6.25	1.50	1.44	3.05	3.56
Diluted shares (used to calculate per share data)	2,040	2,040	2,040	2,040	2,040
<b>Growth</b>					
Revenue (%)	15.4	(7.0)	(44.6)	25.9	5.8
Operating EBITDA (%)	(42.8)	(26.9)	59.0	49.0	11.5
Operating EBIT (%)	(52.9)	(72.2)	163.0	90.1	14.6
Recurring EPS (%)	(59.2)	(41.6)	10.4	110.7	16.8
Reported EPS (%)	(59.2)	(41.6)	10.4	110.7	16.8
<b>Operating performance</b>					
Gross margin inc depreciation (%)	4.2	1.8	6.1	8.6	9.2
Gross margin of key business (%)	-	-	-	-	-
Operating EBITDA margin (%)	5.3	4.2	12.0	14.2	14.9
Operating EBIT margin (%)	3.5	1.0	4.9	7.4	8.0
Net margin (%)	2.6	1.6	3.3	5.5	6.0
Effective tax rate (%)	16.0	20.0	20.0	20.0	20.0
Dividend payout on recurring profit (%)	125.6	51.6	45.0	45.0	45.0
Interest cover (X)	6.5	(1.8)	4.2	8.0	9.4
Inventory days	30.7	37.7	68.9	45.3	49.5
Debtor days	21.9	25.0	35.8	22.9	24.9
Creditor days	24.0	29.9	50.1	32.9	36.0
Operating ROIC (%)	6.7	1.9	5.1	7.8	8.4
ROIC (%)	6.4	2.0	3.9	5.4	5.2
ROE (%)	8.3	4.8	5.2	10.4	11.5
ROA (%)	4.9	1.4	2.8	4.3	4.2
* Pre exceptional, pre-goodwill and fully diluted					
<b>Revenue By Division (THB m)</b>					
Oil refinery	330,063	298,325	135,267	187,348	201,905
Lubed-based oil refinery	15,671	18,096	19,501	19,501	19,501
Petrochemical	27,583	28,390	27,070	27,911	27,670
Power generation	4,839	5,519	6,071	5,230	5,471

Sources: Thai Oil; FSSIA estimates

## Financial Statements

Thai Oil

Cash Flow (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Recurring net profit	10,149	5,932	6,550	13,804	16,119
Depreciation	7,264	11,388	14,217	17,140	18,533
Associates & minorities	-	-	-	-	-
Other non-cash items	-	-	-	-	-
Change in working capital	5,348	(9,564)	16,459	(5,313)	(1,485)
<b>Cash flow from operations</b>	<b>22,761</b>	<b>7,756</b>	<b>37,227</b>	<b>25,632</b>	<b>33,167</b>
Capex - maintenance	-	-	-	-	-
Capex - new investment	(7,735)	(33,472)	(74,028)	(37,052)	(15,891)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(23,987)	(51,976)	(43,733)	(43,733)	(43,733)
<b>Cash flow from investing</b>	<b>(31,723)</b>	<b>(85,448)</b>	<b>(117,761)</b>	<b>(80,785)</b>	<b>(59,624)</b>
Dividends paid	(10,710)	(3,060)	(2,948)	(6,212)	(7,253)
Equity finance	0	0	0	0	0
Debt finance	(182)	(2,300)	166	43,484	58,484
Other financing cash flows	38,272	123,865	51,551	11,616	11,685
<b>Cash flow from Financing</b>	<b>27,380</b>	<b>118,505</b>	<b>48,769</b>	<b>48,888</b>	<b>62,916</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>18,418</b>	<b>40,813</b>	<b>(31,765)</b>	<b>(6,265)</b>	<b>36,458</b>
Free cash flow to firm (FCFF)	(5,019.58)	(74,384.40)	(76,764.12)	(51,469.21)	(22,858.79)
Free cash flow to equity (FCFE)	29,128.20	43,872.97	(28,817.28)	(53.31)	43,712.00

### Per share (THB)

FCFF per share	(2.46)	(36.46)	(37.63)	(25.23)	(11.21)
FCFE per share	14.28	21.51	(14.13)	(0.03)	21.43
Recurring cash flow per share	8.54	8.49	10.18	15.17	16.99

Balance Sheet (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Tangible fixed asset (gross)	199,634	233,106	307,134	344,186	360,077
Less: Accumulated depreciation	(119,705)	(131,093)	(145,310)	(162,449)	(180,983)
<b>Tangible fixed assets (Net)</b>	<b>79,929</b>	<b>102,013</b>	<b>161,824</b>	<b>181,736</b>	<b>179,094</b>
<b>Intangible fixed assets (Net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Long-term financial assets	-	-	-	-	-
Invest. In associates & subsidiaries	14,316	15,568	16,883	18,264	19,714
Cash & equivalents	34,041	74,854	43,089	36,824	73,283
A/C receivable	24,359	25,353	14,058	17,704	18,723
Inventories	28,739	42,378	23,498	29,592	31,296
Other current assets	77,604	6,141	9,757	9,757	9,757
<b>Current assets</b>	<b>164,743</b>	<b>148,726</b>	<b>90,402</b>	<b>93,877</b>	<b>133,058</b>
Other assets	9,625	39,136	73,224	108,943	141,228
<b>Total assets</b>	<b>268,613</b>	<b>305,443</b>	<b>342,334</b>	<b>402,820</b>	<b>473,095</b>
Common equity	121,712	124,913	128,516	136,108	144,973
Minorities etc.	4,760	4,960	5,162	5,362	5,562
<b>Total Shareholders' equity</b>	<b>126,472</b>	<b>129,873</b>	<b>133,678</b>	<b>141,470</b>	<b>150,536</b>
Long term debt	100,120	119,873	123,103	168,103	228,103
Other long-term liabilities	4,001	10,000	50,630	56,926	56,926
<b>Long-term liabilities</b>	<b>104,121</b>	<b>129,873</b>	<b>173,733</b>	<b>225,029</b>	<b>285,029</b>
A/C payable	25,716	30,785	17,070	21,497	22,735
Short term debt	6,940	2,912	2,853	2,824	2,795
Other current liabilities	5,364	12,000	15,000	12,000	12,001
<b>Current liabilities</b>	<b>38,020</b>	<b>45,697</b>	<b>34,924</b>	<b>36,321</b>	<b>37,531</b>
<b>Total liabilities and shareholders' equity</b>	<b>268,613</b>	<b>305,443</b>	<b>342,334</b>	<b>402,820</b>	<b>473,095</b>
Net working capital	99,622	31,086	15,243	23,556	25,040
Invested capital	203,492	187,804	267,175	332,499	365,077

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

### Per share (THB)

Book value per share	59.66	61.23	63.00	66.72	71.06
Tangible book value per share	59.66	61.23	63.00	66.72	71.06

### Financial strength

Net debt/Equity (%)	57.7	36.9	62.0	94.8	104.7
Net debt/total assets (%)	27.2	15.7	24.2	33.3	33.3
Current ratio (x)	4.3	3.3	2.6	2.6	3.5
CF interest cover (x)	17.3	(27.5)	18.0	15.7	25.6

Valuation	2018	2019	2020E	2021E	2022E
<b>Recurring P/E (x) *</b>	<b>7.4</b>	<b>12.6</b>	<b>11.4</b>	<b>5.4</b>	<b>4.7</b>
<b>Recurring P/E @ target price (x) *</b>	<b>12.5</b>	<b>21.3</b>	<b>19.3</b>	<b>9.2</b>	<b>7.8</b>
Reported P/E (x)	7.4	12.6	11.4	5.4	4.7
Dividend yield (%)	17.0	4.1	3.9	8.3	9.7
Price/book (x)	0.6	0.6	0.6	0.6	0.5
Price/tangible book (x)	0.6	0.6	0.6	0.6	0.5
EV/EBITDA (x) **	7.4	8.5	6.8	6.0	6.0
EV/EBITDA @ target price (x) **	9.9	11.9	8.9	7.4	7.3
EV/invested capital (x)	0.8	0.7	0.6	0.6	0.7

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

Sources: Thai Oil; 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	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	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)

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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

**GENERAL DISCLAIMER**

**ANALYST(S) CERTIFICATION**

Suwat Sinsadok FSS International Investment Advisory Securities Co., Ltd

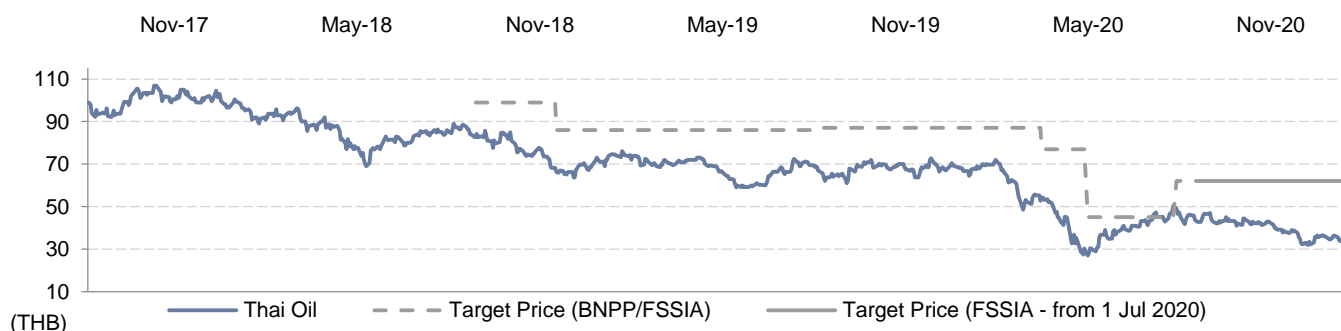
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**History of change in investment rating and/or target price**

**Thai Oil (TOP TB)**



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
09-Oct-2018	BUY	99.00	06-Aug-2019	BUY	87.00	23-Mar-2020	BUY	45.00
18-Dec-2018	BUY	86.00	12-Feb-2020	BUY	77.00	08-Jun-2020	BUY	62.00

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
Thai Oil	TOP TB	THB 36.75	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

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All share prices are as at market close on 05-Nov-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.