

9 NOVEMBER 2020

THAILAND / PETROCHEM &amp; CHEMICALS

# PTT GLOBAL CHEMICAL PTTGC TB

## BUY

UNCHANGED

TARGET PRICE	THB50.00
CLOSE	THB44.50
UP/DOWNSIDE	+12.4%
TP vs CONSENSUS	+2.3%

## ผลขาดทุนจากรูกริกที่ไม่ใช่โอเลฟินส์เป็นตัวถ่วง

### โอเลฟินส์รอดเพียงรูกริกเดียวใน 3Q20

PTTGC รายงานกำไรสุทธิ 3Q20 ที่ 0.9 พัน ลบ. ลดลง 66% y-y และ 46% q-q กำไรสุทธิจากการดำเนินงานอยู่ที่ 670 ลบ. สูงกว่าตลาดคาด 15% และสูงกว่าที่เราคาด 5% โดยได้ปัจจัยหนุนสำคัญจาก Olefins Product Margins ที่อยู่ในระดับสูง ซึ่งช่วยชดเชย Gross Refining Margin (GRM) และ Aromatics Spreads ที่อยู่ในระดับต่ำ EBITDA Margin รวมอยู่ที่ 8.7% เพิ่มขึ้นจาก 7.9% ใน 2Q20 และ 6.7% ใน 3Q19 และมีรายการพิเศษประกอบด้วยกำไรจากสินค้าคงคลัง 492 ลบ. กำไรจากสัญญาป้องกันความเสี่ยง 172 ลบ. และผลขาดทุนจากอัตราแลกเปลี่ยน 427 ลบ.

### Refinery และ Aromatics Margins ยังตกต่ำ

ในรูกริกโรงกลั่น เมื่อหักกำไรจากสินค้าคงคลัง 3Q20 EBITDA ลดลงเหลือ 55 ลบ. (-96% y-y, -81% q-q) ในขณะที่ EBITDA Margin ปรับตัวลดลงเหลือต่ำกว่า 1% จาก Crude Premiums ที่สูงขึ้นและ Product Margins ที่อ่อนแอ Market GRM หดตัวเหลือ USD1.2/bbl (-72% y-y, -47% q-q) อัตราการใช้กำลังการผลิตลดลงเหลือ 94% ใน 3Q20 จาก 102% ใน 2Q20 ในรูกริกอะโรมาติก 3Q20 EBITDA ลดลงเหลือ 79 ลบ. (-96% q-q) เนื่องจาก PX-Condensate Margins หดตัว q-q เหลือ USD190/t (-34% y-y, -30% q-q) ในขณะที่ Benzene-Condensate Margin ตกต่ำอยู่ที่ USD71/t (-55% y-y, -52% q-q) 3Q20 Market P2F ลดลงเหลือ USD78/t (-43% y-y, -56% q-q) ในขณะที่อัตราการใช้กำลังการผลิตตกมาอยู่ที่ 90% จากการปิด Unit 2 เป็นระยะเวลา 19 วัน

### โอเลฟินส์เป็นรูกริกเดียวที่ช่วยบริษัทฯ ไว้

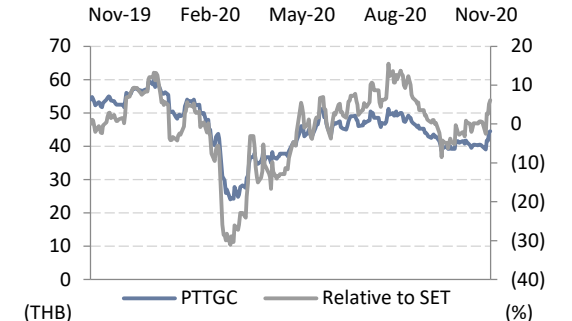
ใน 3Q20 EBITDA ของรูกริกโอเลฟินส์อยู่ที่ 4.4 พัน ลบ. (flat y-y, +79% q-q) โดยได้แรงหนุนจากราคาผลิตภัณฑ์ที่สูงขึ้นและ Product Margins ที่เพิ่มขึ้น q-q เมื่อเทียบกับแนฟทาในทุกผลิตภัณฑ์ ประกอบด้วย High Density Polyethylene (HDPE) (+14% y-y, +7% q-q) Linear Low Density Polyethylene (LLDPE) (+1% y-y, +18% q-q) และ Low Density Polyethylene (LDPE) (+13% y-y, -2% q-q) ทั้งหมดช่วยชดเชย Margins ที่ตกต่ำของ Polypropylene (PP) (-3% y-y, -4% q-q) และ Monoethylene Glycol (MEG) -0.65 ethylene (-44% y-y, -55% q-q) อัตราการใช้กำลังการผลิตของโอเลฟินส์และโพลีเมอร์เพิ่มเป็น 103% และ 104% ตามลำดับ EBITDA สำหรับ The Performance Group (ประกอบด้วย phenol และ AN) ลดลง q-q เหลือ 1.3 พัน ลบ. (+102% y-y, -25% q-q) ทำให้ส่วนแบ่งกำไรอยู่ในระดับต่ำที่ 884 ลบ. (-25% y-y, +10% q-q)

### ยังเป็นหุ้นโอเลฟินส์ที่ดี

เราคงราคาเป้าหมายที่ 50 บาท โดยคิดจาก 2020E EV/EBITDA ที่ 8.6x ซึ่งสูงกว่าค่าเฉลี่ยย้อนหลัง 8 ปีที่ 7.9x เรามองว่าแนวโน้มการเติบโตของกำไรสุทธิของ PTTGC จะดีขึ้นนับตั้งแต่ 4Q20 เป็นต้นไปจาก Olefins-Naphtha Margin และราคาโอเลฟินส์ที่อยู่ในระดับสูง ในขณะที่เราคาดว่า Market GRM จะพลิกฟื้นภายใน 1Q21 จากความต้องการที่กำลังเพิ่มสูงขึ้น

## KEY STOCK DATA

YE Dec (THB m)	2019	2020E	2021E	2022E
Revenue	412,810	316,852	357,385	364,885
Net profit	11,682	9,606	15,949	23,705
EPS (THB)	2.59	2.13	3.54	5.26
vs Consensus (%)	-	nm	38.8	62.5
EBITDA	25,972	25,841	35,331	41,165
Core net profit	9,919	9,606	15,949	23,705
Core EPS (THB)	2.20	2.13	3.54	5.26
EPS growth (%)	(75.6)	(3.2)	66.0	48.6
Core P/E (x)	20.2	20.9	12.6	8.5
Dividend yield (%)	17.5	9.5	11.3	15.1
EV/EBITDA (x)	8.6	7.7	5.5	4.5
Price/book (x)	0.7	0.7	0.7	0.8
Net debt/Equity (%)	4.7	(2.3)	(4.0)	(7.5)
ROE (%)	3.4	3.4	5.8	8.9



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	7.2	(13.2)	(16.8)
Relative to country (%)	6.4	(8.1)	7.2
Mkt cap (USD m)	6,530		
3m avg. daily turnover (USD m)	23.2		
Free float (%)	51		
Major shareholder	PTT Plc. (48%)		
12m high/low (THB)	61.25/21.40		
Issued shares (m)	4,508.85		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 9 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>105,958</b>	<b>69,976</b>	<b>77,148</b>	<b>10.2</b>	<b>(27.2)</b>	<b>327,045</b>	<b>240,930</b>	<b>(26.3)</b>	<b>316,852</b>	Higher q-q on higher selling price
Operating costs	(98,889)	(64,413)	(70,402)	9.3	(28.8)	(303,587)	(231,179)	(23.9)	(277,534)	Higher q-q on higher feedstock cost
<b>EBITDA</b>	<b>7,069</b>	<b>5,563</b>	<b>6,746</b>	<b>21.3</b>	<b>(4.6)</b>	<b>23,458</b>	<b>9,751</b>	<b>(58.4)</b>	<b>25,841</b>	Higher q-q on higher product margins
EBITDA margin (%)	6.7	7.9	8.7	nm	nm	7.2	4.0	nm	8.2	Higher due to higher product margins
Depreciation & amort	(4,759)	(5,017)	(5,079)	1.2	6.7	(14,430)	(15,011)	4.0	(22,497)	
EBIT	2,310	546	1,667	nm	(27.8)	8,967	(5,260)	nm	3,344	
Interest expense	(780)	(861)	(909)	5.6	16.5	(2,354)	(2,574)	9.3	(2,989)	
Interest & invt inc	454	762	223	(70.8)	(50.9)	1,223	1,344	9.9	1,570	
Associates' contrib	1,173	805	884	9.8	(24.6)	3,943	2,251	(42.9)	4,500	
Exceptionals	650	1,161	(254)	nm	nm	1,922	(100)	nm	4,506	FX loss, Inventory gain, and hedging gain
<b>Pretax profit</b>	<b>3,169</b>	<b>2,077</b>	<b>1,217</b>	<b>(41.4)</b>	<b>(61.6)</b>	<b>12,502</b>	<b>(6,723)</b>	<b>nm</b>	<b>10,931</b>	Lower due to lower product margins
Tax	(306)	(406)	(235)	(42.1)	(23.2)	(649)	655	nm	(954)	
Tax rate (%)	9.7	19.5	19.3	(1.2)	99.9	5.2	9.7	87.7	8.7	
Minority interests	(200)	(1)	(74)	11,123.7	(63.1)	(545)	(137)	nm	(371)	
<b>Net profit</b>	<b>2,663</b>	<b>1,671</b>	<b>908</b>	<b>(45.6)</b>	<b>(65.9)</b>	<b>11,308</b>	<b>(6,205)</b>	<b>nm</b>	<b>9,606</b>	5% above our estimate, 15% above BBG consensus
<b>Core profit</b>	<b>2,599</b>	<b>1,409</b>	<b>670</b>	<b>(52.4)</b>	<b>(74.2)</b>	<b>13,291</b>	<b>(3,338)</b>	<b>nm</b>	<b>9,606</b>	
EPS (THB)	0.59	0.37	0.20	(45.6)	(65.9)	2.51	(1.38)	nm	2.13	
Core EPS (THB)	0.58	0.31	0.15	(52.4)	(74.2)	2.95	(0.74)	nm	2.13	

Sources: PTTGC; FSSIA estimates

## Exhibit 2: 3Q20/9M20 key quarterly indicators

	3Q19	2Q20	3Q20	Change		9M19	9M20	Change
				(q-q)	(y-y)			(y-y)
<b>Utilisation rate (%)*</b>								
Olefins	104	100	103	3.0	(1.0)	103	95	(8.0)
HDPE	107	102	104	2.0	(3.0)	103	98	(5.0)
LLDPE	107	102	104	2.0	(3.0)	103	98	(5.0)
LDPE	107	102	104	2.0	(3.0)	103	98	(5.0)
MEG	108	97	95	(2.0)	(13.0)	95	96	1.0
Refinery	101	102	94	(8.0)	(7.0)	99	100	1.0
Aromatics	100	99	90	(9.0)	(10.0)	89	95	6.0
<b>Margins</b>				<b>(q-q%)</b>	<b>(y-y%)</b>			<b>(y-y%)</b>
<b>Refinery (USD/bbl)</b>								
Market GRM	4.40	2.31	1.22	(47.2)	(72.3)	3.7	2.38	(35.7)
Hedging gain (loss)	(0.21)	(0.56)	0.17	nm	nm	0.01	0.59	nm
Stock gain (loss)	(0.60)	(0.25)	0.05	nm	nm	0.19	(4.64)	nm
Accounting GRM	3.59	1.50	1.44	(4.0)	(59.9)	3.9	(1.67)	nm
<b>Aromatics (USD/t)</b>								
Aromatics P2F	136.0	176.0	78.0	(55.7)	(42.6)	143	140	(2.1)
Hedging gain (loss)	15.5	(2.3)	5.9	nm	(61.9)	6	3	(50.8)
Stock gain (loss)	(0.9)	(44.6)	23.4	nm	nm	(11)	(45)	300.9
Accounting P2F	151.0	129.0	107.0	(17.1)	(29.1)	138	98	(29.0)
<b>Olefins (USD/t)</b>								
HDPE price	951	760	919	20.9	(3.4)	1,041	839	(19.4)
Naphtha	494	274	397	44.9	(19.6)	518	370	(28.6)
HDPE-naphtha	457	486	522	7.4	14.2	523	469	(10.3)
<b>Net profit breakdown by product group (THB m)</b>				<b>(q-q %)</b>	<b>(y-y %)</b>			<b>(y-y%)</b>
Olefins & Derivatives	2,008	56	1,798	3,110.7	(10.5)	6,727	1,655	(75.4)
Refinery	267	(801)	(775)	(3.2)	nm	998	(6,521)	nm
Aromatics	(204)	308	(591)	nm	189.7	(1,533)	(1,640)	7.0
EO/EG, JV	675	(741)	506	nm	(25.0)	416	(458)	nm
Green Chemical	(89)	(262)	48	nm	nm	(164)	(80)	(51.2)
High Volume Specialties	(142)	866	487	(43.8)	nm	841	771	(8.3)
Services & others	148	2,245	(565)	nm	nm	4,023	98	(97.6)
<b>Total net profit</b>	<b>2,663</b>	<b>1,671</b>	<b>908</b>	<b>(45.7)</b>	<b>(65.9)</b>	<b>11,308</b>	<b>(6,175)</b>	<b>nm</b>

\* Note: Change in margin % is represented in ppt change

Sources: PTTGC; FSSIA estimates

## Financial Statements

PTT Global Chemical

Profit and Loss (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Revenue	518,655	412,810	316,852	357,385	364,885
Cost of goods sold	(446,971)	(370,369)	(277,534)	(306,971)	(308,007)
<b>Gross profit</b>	<b>71,684</b>	<b>42,441</b>	<b>39,318</b>	<b>50,413</b>	<b>56,878</b>
Other operating income	-	-	-	-	-
Operating costs	(14,854)	(16,469)	(13,477)	(15,082)	(15,713)
<b>Operating EBITDA</b>	<b>56,829</b>	<b>25,972</b>	<b>25,841</b>	<b>35,331</b>	<b>41,165</b>
Depreciation	(19,055)	(20,250)	(22,497)	(24,744)	(26,991)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>37,775</b>	<b>5,722</b>	<b>3,344</b>	<b>10,587</b>	<b>14,174</b>
Net financing costs	(2,003)	(363)	(1,419)	(1,289)	(1,164)
Associates	6,895	4,559	4,500	4,500	4,501
Recurring non operating income	8,012	5,877	9,006	9,218	13,937
Non recurring items	(527)	1,763	0	0	0
<b>Profit before tax</b>	<b>43,257</b>	<b>12,999</b>	<b>10,931</b>	<b>18,516</b>	<b>26,946</b>
Tax	(2,986)	(649)	(954)	(2,196)	(2,870)
<b>Profit after tax</b>	<b>40,271</b>	<b>12,349</b>	<b>9,977</b>	<b>16,320</b>	<b>24,076</b>
Minority interests	(201)	(667)	(371)	(371)	(371)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>40,069</b>	<b>11,682</b>	<b>9,606</b>	<b>15,949</b>	<b>23,705</b>
<b>Non recurring items &amp; goodwill (net)</b>	<b>527</b>	<b>(1,763)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>40,596</b>	<b>9,919</b>	<b>9,606</b>	<b>15,949</b>	<b>23,705</b>
<b>Per share (THB)</b>					
Recurring EPS *	9.01	2.20	2.13	3.54	5.26
Reported EPS	8.89	2.59	2.13	3.54	5.26
DPS	6.43	7.77	4.24	5.02	6.70
Diluted shares (used to calculate per share data)	4,508	4,508	4,508	4,508	4,508
<b>Growth</b>					
Revenue (%)	17.9	(20.4)	(23.2)	12.8	2.1
Operating EBITDA (%)	(9.7)	(54.3)	(0.5)	36.7	16.5
Operating EBIT (%)	(13.1)	(84.9)	(41.6)	216.6	33.9
Recurring EPS (%)	(2.9)	(75.6)	(3.2)	66.0	48.6
Reported EPS (%)	2.0	(70.8)	(17.8)	66.0	48.6
<b>Operating performance</b>					
Gross margin inc depreciation (%)	10.1	5.4	5.3	7.2	8.2
Gross margin of key business (%)	-	-	-	-	-
Operating EBITDA margin (%)	11.0	6.3	8.2	9.9	11.3
Operating EBIT margin (%)	7.3	1.4	1.1	3.0	3.9
Net margin (%)	7.8	2.4	3.0	4.5	6.5
Effective tax rate (%)	6.9	5.0	8.7	11.9	10.7
Dividend payout on recurring profit (%)	71.4	353.0	199.2	142.0	127.4
Interest cover (X)	22.9	31.9	8.7	15.4	24.1
Inventory days	31.5	37.3	39.7	30.4	32.5
Debtor days	31.8	35.3	35.7	30.3	31.8
Creditor days	38.8	44.6	46.6	38.9	41.6
Operating ROIC (%)	13.5	2.1	1.1	(0.4)	(0.5)
ROIC (%)	11.7	2.8	2.8	(0.5)	(0.7)
ROE (%)	14.2	3.4	3.4	5.8	8.9
ROA (%)	9.4	2.4	2.4	3.4	4.8
* Pre exceptional, pre-goodwill and fully diluted					
<b>Revenue By Division (THB m)</b>					
Refinery and shared facilities	227,034	163,414	167,119	169,156	169,156
Aromatics	92,601	68,525	69,125	69,125	69,125
Olefins and derivatives	135,126	107,407	114,000	114,000	114,000
Green Chemicals	15,233	19,852	19,652	19,652	19,652

Sources: PTT Global Chemical; FSSIA estimates

## Financial Statements

PTT Global Chemical

Cash Flow (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Recurring net profit	40,596	9,919	9,606	15,949	23,705
Depreciation	19,055	20,250	22,497	24,744	26,991
Associates & minorities	(6,895)	(6,000)	(4,500)	(4,500)	(4,501)
Other non-cash items	3,323	(1,931)	(1,931)	(1,931)	(1,931)
Change in working capital	3,355	7,728	6,772	(2,333)	(129)
<b>Cash flow from operations</b>	<b>59,435</b>	<b>29,966</b>	<b>32,443</b>	<b>31,929</b>	<b>44,134</b>
Capex - maintenance	-	-	-	-	-
Capex - new investment	(48,000)	(40,000)	(40,000)	(40,000)	(40,000)
Net acquisitions & disposals	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Other investments (net)	16,158	(780)	(780)	(780)	(780)
<b>Cash flow from investing</b>	<b>(32,842)</b>	<b>(41,780)</b>	<b>(41,780)</b>	<b>(41,780)</b>	<b>(41,780)</b>
Dividends paid	(28,985)	(35,011)	(19,131)	(22,643)	(30,196)
Equity finance	0	0	0	0	0
Debt finance	(8,489)	(8,488)	(8,486)	(8,484)	(8,481)
Other financing cash flows	9,394	27,313	48,526	37,039	37,039
<b>Cash flow from Financing</b>	<b>(28,080)</b>	<b>(16,187)</b>	<b>20,908</b>	<b>5,912</b>	<b>(1,638)</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>(1,487)</b>	<b>(28,001)</b>	<b>11,571</b>	<b>(3,939)</b>	<b>716</b>
Free cash flow to firm (FCFF)	30,186.72	(8,695.04)	(6,348.04)	(6,991.01)	5,090.59
Free cash flow to equity (FCFE)	27,498.02	7,010.26	30,702.84	18,703.68	30,912.02

### Per share (THB)

FCFF per share	6.69	(1.93)	(1.41)	(1.55)	1.13
FCFE per share	6.10	1.55	6.81	4.15	6.86
Recurring cash flow per share	12.44	4.93	5.69	7.60	9.82

Balance Sheet (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Tangible fixed asset (gross)	340,497	380,497	420,497	460,497	500,497
Less: Accumulated depreciation	(134,496)	(154,746)	(177,243)	(201,987)	(228,977)
<b>Tangible fixed assets (Net)</b>	<b>206,001</b>	<b>225,751</b>	<b>243,254</b>	<b>258,511</b>	<b>271,520</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	37,790	44,790	50,291	55,790	61,291
Cash & equivalents	53,563	25,562	37,134	33,195	33,911
A/C receivable	45,616	34,157	27,867	31,432	32,092
Inventories	39,366	36,252	24,049	27,125	27,695
Other current assets	5,767	8,525	8,523	8,523	8,523
<b>Current assets</b>	<b>144,311</b>	<b>104,496</b>	<b>97,573</b>	<b>100,275</b>	<b>102,220</b>
Other assets	81,153	77,476	77,476	77,476	77,476
<b>Total assets</b>	<b>469,255</b>	<b>452,514</b>	<b>468,595</b>	<b>492,053</b>	<b>512,508</b>
Common equity	296,046	285,830	276,304	269,611	263,121
Minorities etc.	7,436	7,765	4,049	4,419	4,790
<b>Total Shareholders' equity</b>	<b>303,482</b>	<b>293,595</b>	<b>280,354</b>	<b>274,030</b>	<b>267,911</b>
Long term debt	38,636	30,148	21,662	13,178	4,696
Other long-term liabilities	53,279	75,738	122,868	157,196	191,523
<b>Long-term liabilities</b>	<b>91,915</b>	<b>105,886</b>	<b>144,530</b>	<b>170,373</b>	<b>196,219</b>
A/C payable	50,384	40,102	30,780	34,718	35,446
Short term debt	9,150	9,150	9,150	9,150	9,151
Other current liabilities	14,325	3,782	3,782	3,782	3,782
<b>Current liabilities</b>	<b>73,858</b>	<b>53,033</b>	<b>43,711</b>	<b>47,649</b>	<b>48,378</b>
<b>Total liabilities and shareholders' equity</b>	<b>469,255</b>	<b>452,514</b>	<b>468,595</b>	<b>492,053</b>	<b>512,508</b>
Net working capital	26,039	35,051	25,877	28,581	29,081
Invested capital	350,984	383,069	396,899	420,358	439,369

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

### Per share (THB)

Book value per share	65.67	63.41	61.29	59.81	58.37
Tangible book value per share	65.67	63.41	61.29	59.81	58.37

### Financial strength

Net debt/Equity (%)	(1.9)	4.7	(2.3)	(4.0)	(7.5)
Net debt/total assets (%)	(1.2)	3.0	(1.3)	(2.2)	(3.9)
Current ratio (x)	2.0	2.0	2.2	2.1	2.1
CF interest cover (x)	38.7	130.5	50.8	46.5	61.9

Valuation	2018	2019	2020E	2021E	2022E
<b>Recurring P/E (x) *</b>	<b>4.9</b>	<b>20.2</b>	<b>20.9</b>	<b>12.6</b>	<b>8.5</b>
<b>Recurring P/E @ target price (x) *</b>	<b>5.6</b>	<b>22.7</b>	<b>23.5</b>	<b>14.1</b>	<b>9.5</b>
Reported P/E (x)	5.0	17.2	20.9	12.6	8.5
Dividend yield (%)	14.4	17.5	9.5	11.3	15.1
Price/book (x)	0.7	0.7	0.7	0.7	0.8
Price/tangible book (x)	0.7	0.7	0.7	0.7	0.8
EV/EBITDA (x) **	3.6	8.6	7.7	5.5	4.5
EV/EBITDA @ target price (x) **	4.0	9.5	8.6	6.2	5.1
EV/invested capital (x)	0.6	0.6	0.5	0.5	0.4

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

Sources: PTT Global Chemical; 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	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	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
WIJK	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	TIPIP	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	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

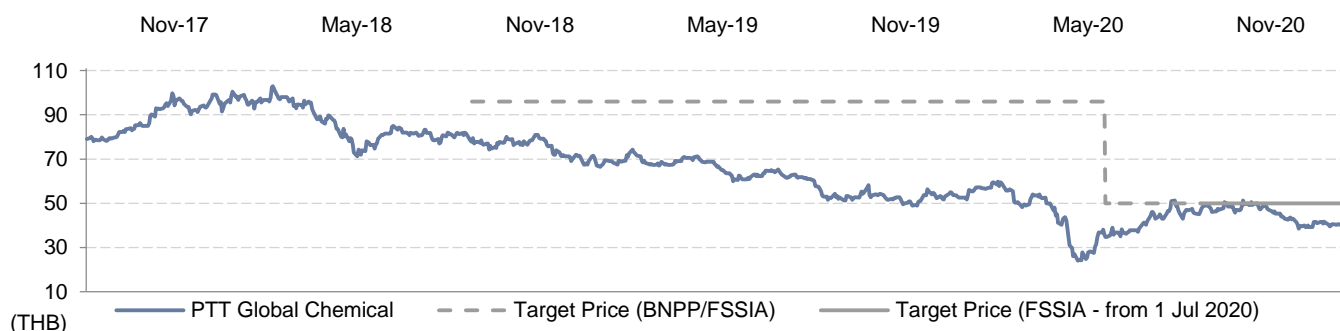
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### History of change in investment rating and/or target price

#### PTT Global Chemical (PTTGC TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
09-Oct-2018	BUY	96.00	09-Apr-2020	BUY	50.00	-	-	-

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
PTT Global Chemical	PTTGC TB	THB 44.50	BUY	The key downside risks to our EV/EBITDA-based TP are the weaker-than-expected HDPE price and HDPE-naphtha margin.

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

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All share prices are as at market close on 06-Nov-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.