

14 JANUARY 2021

THAILAND / OIL & GAS

PTG ENERGY PTG TB

BUY
UNCHANGED

TARGET PRICE	THB24.50
CLOSE	THB16.80
UP/DOWNSIDE	+45.8%
PRIOR TP	THB22.00
CHANGE IN TP	+11.4%
TP vs CONSENSUS	+12.4%

เร่งการเติบโต

ปริมาณขายน้ำมันและกำไรจากธุรกิจไบโอดีเซลเพิ่มสูงขึ้น

เราเชื่อว่าแนวโน้มกำไรสุทธิของ PTG ยังคงดีในปี 2021-22 และคาดว่ากำไรของบริษัทฯ จะโต 10.8% y-y ในปี 2021 และ 6.8% y-y ในปี 2022 โดยได้แรงหนุนจากปริมาณขายน้ำมันที่ดีต่อเนื่อง การขยายสถานีบริการน้ำมัน และการพลิกฟื้นของธุรกิจที่ไม่ใช่น้ำมันมาเป็นกำไร นอกจากนี้ บริษัทฯที่ดำเนินธุรกิจไบโอดีเซลควรช่วยสนับสนุนในรูปแบบของการให้กำไรที่ยั่งยืนแก่ PTG โดยเราคาดว่าอยู่ในช่วง 300 ลบ. ต่อปีจากความต้องการไบโอดีเซลที่อยู่ในระดับสูงจากนโยบายส่งเสริมสนับสนุนของรัฐบาล

แนวโน้มการเติบโตต่อเนื่องสำหรับทั้งธุรกิจน้ำมันและที่ไม่ใช่น้ำมันใน 4Q20

เราคาดว่าปริมาณขายน้ำมันของ PTG ผ่านสถานีบริการน้ำมันของบริษัทฯ จะปรับตัวดีขึ้นใน 4Q20 โดยคาดว่าจะเพิ่มขึ้น 5.8% q-q และ 8% y-y เป็น 1.249 ล้านลิตร (ml) จากการขยายจำนวนสถานีบริการน้ำมัน เราคาดว่า EBITDA ของธุรกิจที่ไม่ใช่น้ำมันจะถึงจุดคุ้มทุนใน 4Q20 จาก 1) ปริมาณขายกาแฟที่สูงขึ้นจากตราสินค้าพันธุ์ไทยที่บริษัทฯ ได้พัฒนาขึ้นเอง; 2) ปริมาณขายที่สูงขึ้นจาก PT Max Mart ซึ่งตั้งอยู่ในสถานีบริการน้ำมันของ PTG; และ 3) ผลขาดทุนที่น้อยลงจาก Autobacs จากการดำเนินงานที่ดีขึ้นและค่าใช้จ่ายในการบริหารที่ลดลง

กำไรสุทธิ 4Q20 จะพุ่งขึ้นสูงเป็นประวัติการณ์

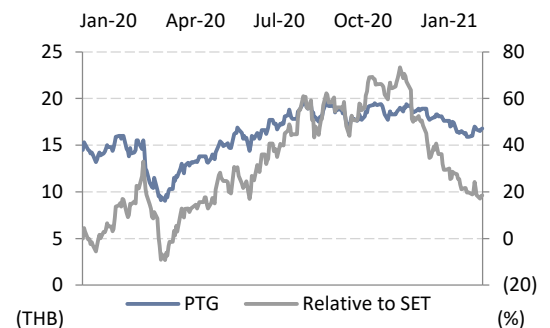
เราคาดว่า PTG จะรายงานกำไรสุทธิ 4Q20 ที่ 536 ลบ. เพิ่มจาก 509 ลบ. ใน 3Q20 โดยได้แรงสนับสนุนจาก 1) Marketing Margin (MM) ที่ทรงตัวจากธุรกิจสถานีบริการน้ำมัน โดยคาดว่าจะอยู่ที่ 1.8-1.9 บาทต่อลิตร; 2) ปริมาณขายน้ำมันที่สูงขึ้นเป็น 1.3ml (จากทั้งสถานีบริการน้ำมันและการขายส่ง) เพิ่มขึ้น 5.5% q-q และ 4.8% y-y จาก 1.232ml ใน 3Q20 เนื่องจากปริมาณขายปลีกเพิ่มสูงขึ้น; 3) EBITDA ที่สูงขึ้นจากธุรกิจที่ไม่ใช่น้ำมันของ PTG ประกอบด้วยธุรกิจอาหารและเครื่องดื่ม (F&B) และบริการรถยนต์; และ 4) กำไรสุทธิที่เพิ่มขึ้นจากธุรกิจไบโอดีเซลจาก ME-CPO margin ที่สูงขึ้นจากความต้องการตามฤดูกาล เราเชื่อว่า PTG จะได้รับส่วนแบ่งกำไรจำนวน 260 ลบ. โดยธุรกิจไบโอดีเซลจะให้ส่วนแบ่งกำไรที่สูงขึ้นในจำนวน 65 ลบ. ใน 4Q20 เนื่องจาก 1) ความต้องการไบโอดีเซลและสัดส่วนปริมาณขาย B10 เพิ่มขึ้น; และ 2) ME-CPO margin อยู่ในระดับสูง

คงคำแนะนำซื้อหลังปรับราคาเป้าหมายเป็น 24.5 บาท

เราคงคำแนะนำซื้อหลังปรับประมาณการกำไรต่อหุ้นในปี 2020-22 ขึ้น 12-20% เพื่อสะท้อนสมมติฐานปริมาณขายที่สูงขึ้นในปี 2020-22 และ Marketing margin ที่ดีขึ้นในปี 2020 จากการปรับประมาณการกำไรต่อหุ้นดังกล่าว เราปรับเพิ่มราคาเป้าหมายของเราจาก 22 เป็น 24.5 บาท (SoTP)

KEY STOCK DATA

YE Dec (THB m)	2019	2020E	2021E	2022E
Revenue	120,183	104,922	142,484	156,018
Net profit	1,561	1,767	1,957	2,090
EPS (THB)	0.93	1.06	1.17	1.25
vs Consensus (%)	-	6.2	6.8	2.4
EBITDA	5,164	5,677	5,823	5,851
Core net profit	1,561	1,767	1,957	2,090
Core EPS (THB)	0.93	1.06	1.17	1.25
Chg. In EPS est. (%)	-	20.2	13.1	12.4
EPS growth (%)	149.8	13.2	10.8	6.8
Core P/E (x)	18.0	15.9	14.3	13.4
Dividend yield (%)	-	-	0.9	1.2
EV/EBITDA (x)	7.1	6.3	5.4	4.7
Price/book (x)	4.2	3.7	3.2	2.8
Net debt/Equity (%)	127.2	96.5	36.9	(6.4)
ROE (%)	25.8	24.8	23.9	22.2



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(4.5)	(13.4)	15.9
Relative to country (%)	(8.5)	(28.7)	18.8
Mkt cap (USD m)	933		
3m avg. daily turnover (USD m)	10.3		
Free float (%)	48		
Major shareholder	Ratchakrit Holding (25%)		
12m high/low (THB)	20.00/8.95		
Issued shares (m)	1,670.00		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 14 มกราคม 2021

Investment thesis

PTG is one of Thailand's leading service station plays, with 2,078 oil and mixed stations in 3Q20. 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 net profit growth of 6% CAGR from 2019–22, 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.

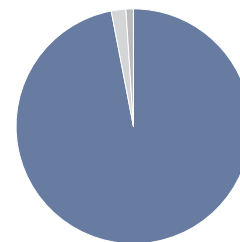
Company profile

PTG is an oil station play 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.ptgenenergy.co.th

Principal activities (revenue, 2019)

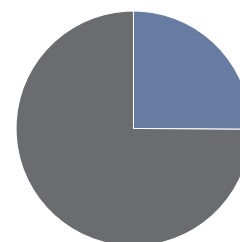
- Sales of petroleum products and others - 97.0 %
- Sales of consumable products - 2.0 %
- Others - 1.0 %



Source: PTG Energy

Major shareholders

- Ratchakrit Holding - 25.1 %
- Others - 74.9 %



Source: PTG Energy

Catalyst

Key potential net profit catalysts include 1) higher sales volumes; 2) a higher marketing margin; and 3) improving EBITDA from non-oil businesses, such as the convenience store and food & beverage segments.

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
Feb 2021	4Q20/2020 results announcement

Key assumptions

	2020E	2021E	2022E
Sales volume (oil) (m litres/year)	4,915	5,407	5,947
Marketing margin (LPG & station) (THB/litre)	1.83	2.00	2.00
Utilisation (%)	100	100	100

Source: FSSIA estimates

Earnings sensitivity

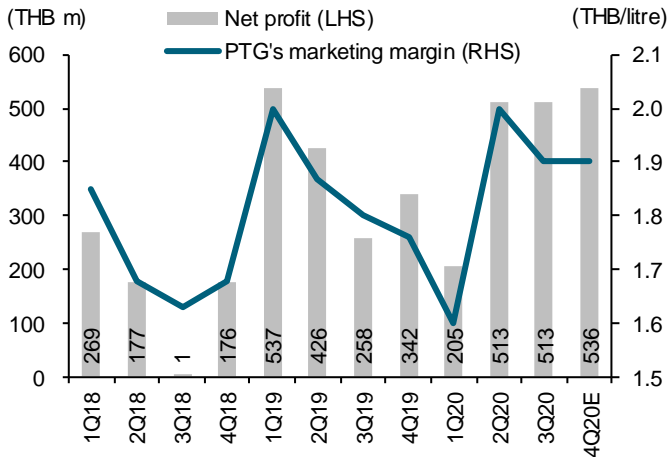
- For every 1% increase in marketing margin, we estimate 2021 earnings will rise by 4.3%, and vice versa, all else being equal.

Source: FSSIA estimates

Pumping up the growth

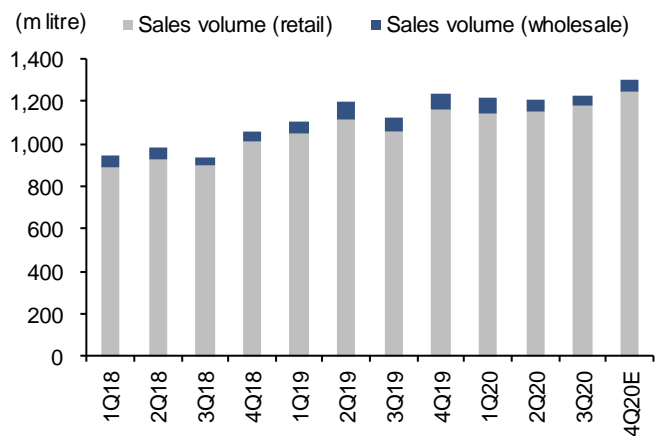
We project PTG's net profit to stay strong at THB536m in 4Q20, up from THB509m in 3Q20, supported by 1) a stable MM from its oil station business at THB1.8-1.9/litre; 2) a higher oil sales volume of 1.3ml in 4Q20 (+5.5% q-q and +4.8% y-y) from 1.232ml in 3Q20 due to a higher retail sales volume; 3) improving EBITDA from its non-oil businesses, including F&B and auto services; and 4) a higher net profit from its biodiesel venture driven by a higher ME-CPO margin due to seasonal demand.

Exhibit 1: Net profit VS PTG's marketing margin



Sources: PTG; FSSIA estimates

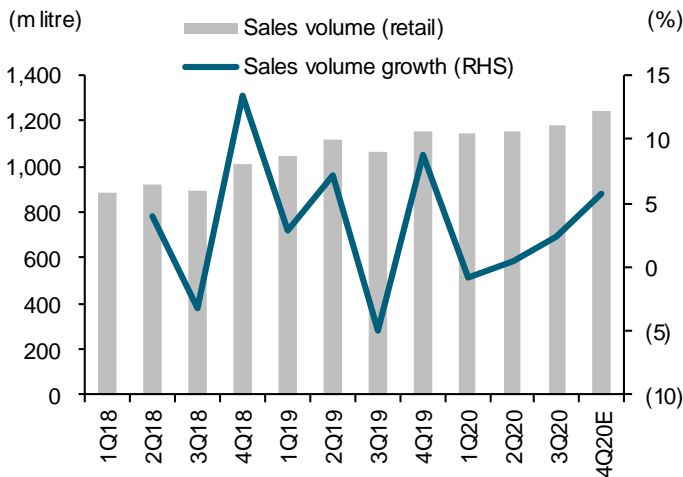
Exhibit 2: Sales volume breakdown by sales channel



Sources: PTG; FSSIA estimates

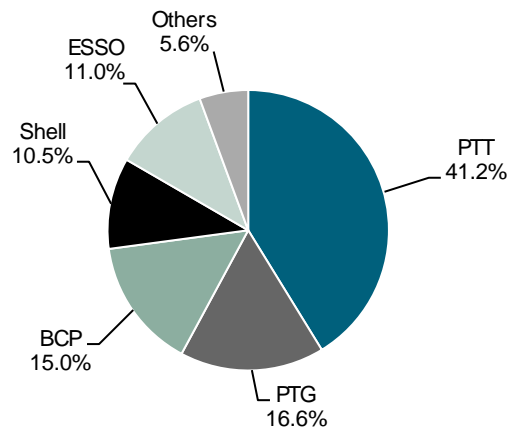
We expect PTG's oil sales volume via its oil station channel to improve in 4Q20, rising by 5.8% q-q and 8% y-y to 1.249ml, driven by its oil station expansion. We believe the company can achieve its 2,090 station goal for 2020, adding more than 10 oil stations in 4Q20. PTG is maintaining its plan to add 50-70 new oil stations each year.

Exhibit 3: Retail sales volume VS sales volume growth



Sources: PTG; FSSIA estimates

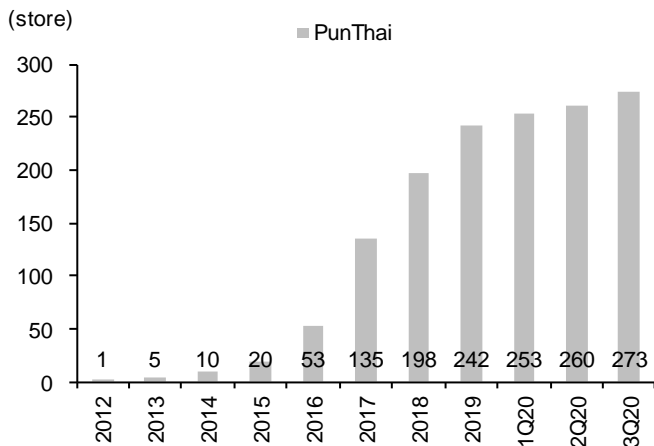
Exhibit 4: Retail market share as of 3Q20



Source: PTG

PTG's non-oil businesses could see better operations following Thailand's economic reopening, in our view. We believe PunThai's EBITDA and net profit could breakeven in 4Q20, along with Max Mart and Autobacs, driven by 1) higher sales volumes of coffee from its self-developed PunThai brand; 2) higher sales volumes from PT Max Mart, which are all located in PTG's own oil stations; and 3) a lower loss from Autobacs due to better operations and lower management expenses.

Exhibit 5: Number of PunThai coffee shops

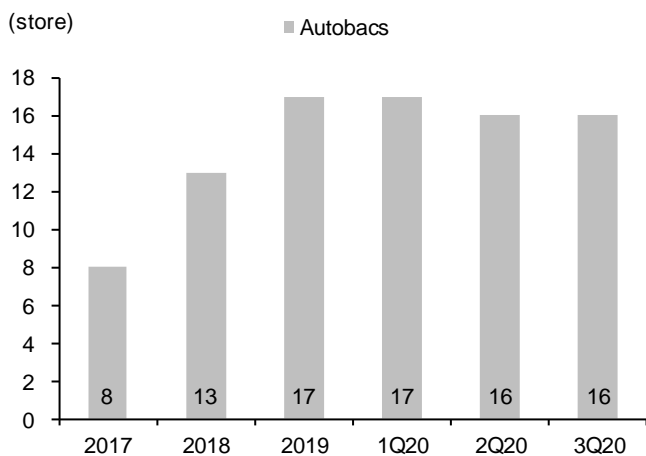


Source: PTG

PTG announced the acquisition of another 38.26% stake in Siam Autobacs in Oct-20, increasing its stake to 76.52%. Siam Autobacs is a franchise from Autobacs Seven, a Japanese auto service chain with the largest market share in Japan. Autobacs provides car maintenance services, inspection and car care. PTG first acquired a 38.26% stake in seven Autobacs stores in 2017 – it currently owns 16 Autobacs stores and aims to add 20 additional stores each year.

We are positive on this purchase due to three reasons. First, we estimate this acquisition will cost THB19.7m, lower than the previous 38.26% acquisition’s cost of THB65m. Second, this acquisition will give PTG full control over its business strategy. Third, we believe Autobacs could improve from a THB3m per month loss to a THB0.5m per month loss in 4Q20, mostly due to better operations and lower management expenses. PTG plans to add at least 20-30 additional stores in 2021, both standalone and in-station. We believe this could provide a further upside to PTG.

Exhibit 7: Number of Autobacs outlets

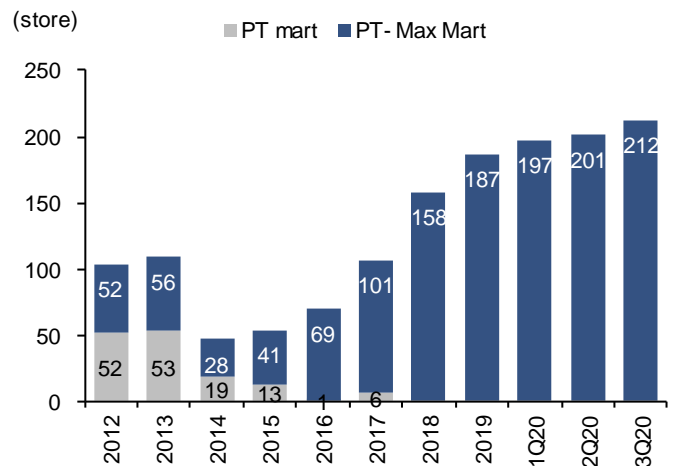


Source: PTG

For its Coffee World (CW) stores, PTG has improved its operations and organisation, however, we expect to see an EBITDA and net profit loss for the division in 4Q20, as most CW shops are located in airports and shopping malls, both of which were highly impacted by the nation’s lockdown in response to COVID-19.

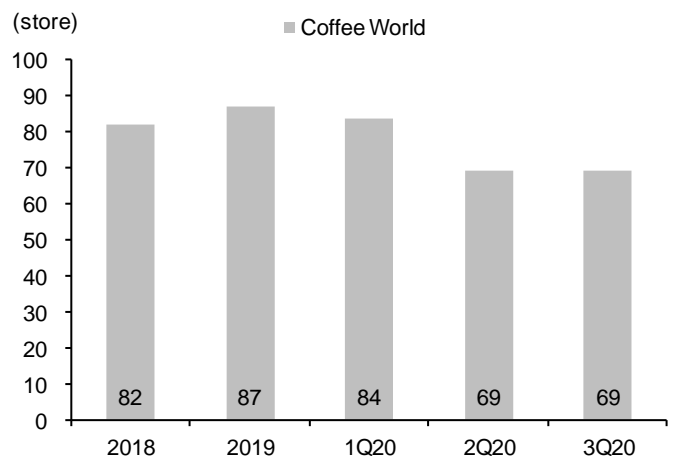
LPG sales volumes dropped to 28ml in 2Q20 during the lockdown and rose to 41ml in 3Q20. We expect sales volumes to continue to grow in 4Q20 alongside the improving economic conditions.

Exhibit 6: Number of PT Max Mart outlets

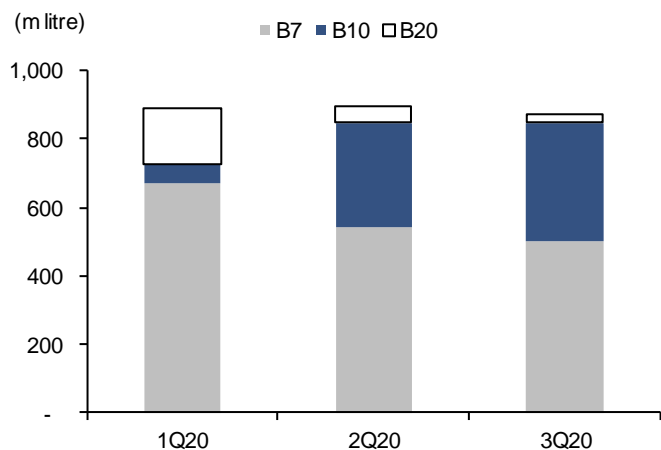


Source: PTG

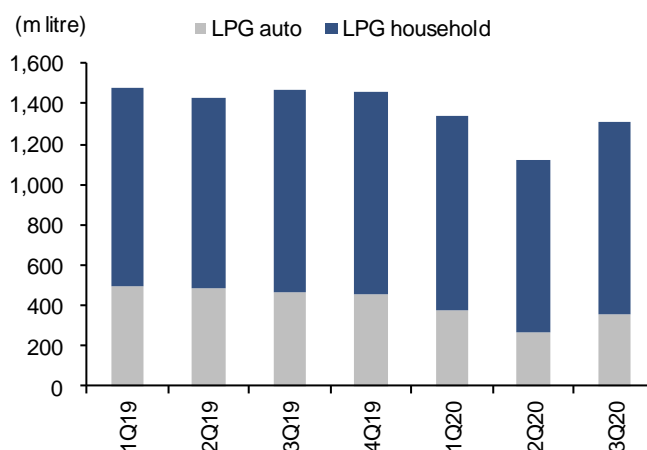
Exhibit 8: Number of Coffee World outlets



Source: PTG

Exhibit 9: Diesel sales volume – breakdown by biodiesel content

Source: PTG

Exhibit 10: Thailand LPG consumption – breakdown by segment

Source: PTG

PTG posted a strong share of profits of THB170m in 1Q20, followed by THB4.6m in 2Q20 and THB19m in 3Q20. We believe PTG could achieve a share of profits of THB260m, with a better share of profits of THB65m from biodiesel in 4Q20 due to 1) a higher demand for biodiesel and a higher B10 sales volume proportion; and 2) a strong ME-CPO margin.

4Q20E earnings preview

We project PTG's net profit to stay strong at THB536m in 4Q20 (+5.3% q-q and +58.4% y-y), slightly higher than its earnings of THB509m in 3Q20, supported by 1) a stable MM from its oil station business at THB1.8-1.9/litre; 2) a higher oil sales volume of 1.3ml in 4Q20 (+5.5% q-q and +4.8% y-y) from 1.232ml in 3Q20 due to a higher retail sales volume; 3) improving EBITDA from its non-oil businesses, including F&B and auto services; and 4) a higher net profit from its biodiesel venture driven by a higher ME-CPO margin due to seasonal demand.

Exhibit 11: Summary of 4Q20E/2020E operations

	4Q19	3Q20	4Q20E		2019	2020E	Change	
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)		(THB m)
Revenue	31,043	25,315	28,229	11.5	(9.1)	120,183	104,922	(12.7)
Operating costs	(29,878)	(23,741)	(26,727)	12.6	(10.5)	(115,019)	(99,245)	(13.7)
Interest & invt inc	41	46	(123)	nm	nm	0	0	nm
Associates' contrib	21	33	(210)	nm	nm	40	0	(100.0)
Exceptionals	0	1	(2)	nm	nm	0	0	nm
EBITDA	1,227	1,654	1,168	(29.4)	(4.8)	5,164	5,677	9.9
EBITDA margin (%)	4.0	6.5	(0.5)	nm	nm	4.3	5.4	nm
Deprn & amort.	(789)	(728)	(1,090)	49.7	38.1	(3,015)	(3,238)	7.4
EBIT	500	925	77	(91.7)	(84.6)	2,149	2,439	13.5
Interest expense	(82)	(280)	492	nm	nm	(335)	(328)	(2.0)
Pretax profit	418	645	641	(0.6)	53.4	1,923	2,183	13.5
Tax	(76)	(132)	(105)	(20.5)	37.9	(359)	(417)	15.9
Tax rate (%)	18.3	20.5	(1.1)	nm	nm	18.7	19.1	2.1
Minority interests	(3)	(4)	8	nm	nm	(3)	0	nm
Net profit	338	509	536	5.3	58.4	1,561	1,767	13.2
Core profit	338	508	538	5.8	58.9	1,561	1,767	13.2
EPS (THB)	0.20	0.30	0.32	5.3	58.4	0.93	1.06	13.2
Core EPS (THB)	0.20	0.30	0.32	5.8	58.9	0.93	1.06	13.2

Sources: PTG; FSSIA estimates

Valuation

We maintain our BUY rating and raise our EPS forecasts for 2020-22 by 12-20% to reflect our higher sales volume (in 2020-22) and marketing margin (in 2020) assumptions. We think PTG remains attractive in the Thai oil station sector, based on our more positive view on the industry's demand growth outlook, the solid net profit growth that we expect to see from its oil station unit, and its 2021-22E net profit growth.

Exhibit 12: Key changes in assumptions

(THB m)	Current			Previous			Change (%)		
	2020E	2021E	2022E	2020E	2021E	2022E	2020E	2021E	2022E
Revenue	104,922	142,484	156,018	90,861	123,126	134,726	15.5	15.7	15.8
Gross profit	13,423	15,312	16,411	11,989	13,719	14,661	12.0	11.6	11.9
Operating profit	2,439	2,585	2,613	2,073	2,305	2,328	17.7	12.1	12.2
Net profit	1,767	1,957	2,090	1,470	1,730	1,860	20.2	13.1	12.4
EPS (THB/share)	1.06	1.17	1.25	0.88	1.04	1.11	20.2	13.1	12.4
Key assumptions									
Sales volume (oil) (m litres/year)	4,915	5,407	5,947	4,213	4,634	5,098	16.7	16.7	16.7
Marketing margin (LPG & station) (THB/litre)	1.83	2.00	2.00	1.80	2.00	2.00	1.7	0.0	0.0
Utilisation (%)	100	100	100	100	100	100	0.0	0.0	0.0

Note: Change of items in percentage terms are represented in ppt change

Source: FSSIA estimates

We raise our SoTP-based TP from THB22 to THB24.5, comprising THB24.4 for PTG's oil station business, THB2.1 for its biodiesel business (40% stake), and a negative value of THB2.0 for its net debt at the end of 2021E.

While we trim our valuation for PTG's oil station business from 25x 2021E P/E to 24x 2021E P/E to reflect the near-term downside risk from EVs, we increase the value of its core oil station business to reflect its higher projected earnings based on our higher sales volume assumptions. We think our 24x 2021E P/E valuation is reasonable considering the company's financial performance, including its three-year 6% net profit CAGR and its high 2021E ROE at 23.9%.

Exhibit 13: SoTP valuation

PTG valuation	(THB m)	(THB/shr)	Comments
Oil station	40,744	24.4	At 24x 2021E P/E
Biodiesel	3,373	2.1	At 13x 2021E P/E
Net debt	(3,261)	(2.0)	2021E net debt
Total value	40,856	24.5	

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	104,922	142,484	156,018
Cost of goods sold	(97,906)	(107,111)	(91,499)	(127,171)	(139,606)
Gross profit	10,068	13,072	13,423	15,312	16,411
Other operating income	-	-	-	-	-
Operating costs	(6,711)	(7,907)	(7,746)	(9,490)	(10,561)
Operating EBITDA	3,357	5,164	5,677	5,823	5,851
Depreciation	(2,480)	(3,015)	(3,238)	(3,238)	(3,238)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	878	2,149	2,439	2,585	2,613
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	2,183	2,419	2,583
Tax	(120)	(359)	(417)	(462)	(493)
Profit after tax	624	1,563	1,767	1,957	2,090
Minority interests	1	(3)	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	625	1,561	1,767	1,957	2,090
Non recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	625	1,561	1,767	1,957	2,090
Per share (THB)					
Recurring EPS *	0.37	0.93	1.06	1.17	1.25
Reported EPS	0.37	0.93	1.06	1.17	1.25
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	(12.7)	35.8	9.5
Operating EBITDA (%)	16.4	53.8	9.9	2.6	0.5
Operating EBIT (%)	(17.9)	144.8	13.5	6.0	1.1
Recurring EPS (%)	(31.6)	149.8	13.2	10.8	6.8
Reported EPS (%)	(31.6)	149.8	13.2	10.8	6.8
Operating performance					
Gross margin inc depreciation (%)	7.0	8.4	9.7	8.5	8.4
Gross margin of key business (%)	0.1	0.1	0.1	0.1	0.1
Operating EBITDA margin (%)	3.1	4.3	5.4	4.1	3.7
Operating EBIT margin (%)	0.8	1.8	2.3	1.8	1.7
Net margin (%)	0.6	1.3	1.7	1.4	1.3
Effective tax rate (%)	15.8	19.1	19.1	19.1	19.1
Dividend payout on recurring profit (%)	-	-	-	12.8	16.0
Interest cover (X)	3.6	6.7	7.7	11.0	24.7
Inventory days	7.0	6.8	8.2	6.5	7.2
Debtor days	-	-	-	-	-
Creditor days	-	-	-	-	-
Operating ROIC (%)	8.3	17.8	18.4	23.5	37.4
ROIC (%)	5.6	10.8	11.3	13.3	16.8
ROE (%)	11.8	25.8	24.8	23.9	22.2
ROA (%)	4.2	8.2	9.0	9.6	9.9
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue By Division (THB m)					
Sales of petroleum products and others	106,666	116,535	104,051	119,659	125,642
Sales of consumable products	1,208	2,415	1,500	1,500	1,500
Others	100	1,233	(629)	21,325	28,876

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	1,767	1,957	2,090
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)	(1,327)	824	74
Cash flow from operations	5,119	3,291	3,750	6,095	5,481
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	300	1,402	909
Free cash flow to firm (FCFF)	847.83	360.06	2,569.36	5,346.96	5,106.91
Free cash flow to equity (FCFE)	366.44	363.08	1,134.93	2,153.35	1,777.72

Per share (THB)

FCFF per share	0.51	0.22	1.54	3.20	3.06
FCFE per share	0.22	0.22	0.68	1.29	1.06
Recurring cash flow per share	1.96	2.78	3.04	3.16	3.24

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	1,338	2,739	3,649
A/C receivable	0	0	0	0	0
Inventories	1,758	2,217	1,894	2,632	2,890
Other current assets	1,170	1,595	2,387	2,788	3,142
Current assets	3,937	4,850	5,618	8,160	9,681
Other assets	3,180	3,559	3,559	3,559	3,559
Total assets	20,940	22,652	21,869	22,327	21,234
Common equity	5,444	6,648	7,579	8,785	10,007
Minorities etc.	32	60	60	60	60
Total Shareholders' equity	5,476	6,707	7,639	8,845	10,067
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	5,046	7,009	7,694
Current liabilities	10,892	11,614	10,756	11,009	8,694
Total liabilities and shareholders' equity	20,940	22,652	21,869	22,327	21,234
Net working capital	(3,446)	(2,092)	(765)	(1,589)	(1,662)
Invested capital	13,557	15,710	15,486	12,579	9,891

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

Per share (THB)

Book value per share	3.26	3.98	4.54	5.26	5.99
Tangible book value per share	3.13	3.85	4.41	5.13	5.86

Financial strength

Net debt/Equity (%)	136.9	127.2	96.5	36.9	(6.4)
Net debt/total assets (%)	35.8	37.7	33.7	14.6	(3.1)
Current ratio (x)	0.4	0.4	0.5	0.7	1.1
CF interest cover (x)	2.3	2.1	4.5	9.9	17.3

Valuation	2018	2019	2020E	2021E	2022E
Recurring P/E (x) *	44.9	18.0	15.9	14.3	13.4
Recurring P/E @ target price (x) *	65.5	26.2	23.2	20.9	19.6
Reported P/E (x)	44.9	18.0	15.9	14.3	13.4
Dividend yield (%)	-	-	-	0.9	1.2
Price/book (x)	5.2	4.2	3.7	3.2	2.8
Price/tangible book (x)	5.4	4.4	3.8	3.3	2.9
EV/EBITDA (x) **	10.6	7.1	6.3	5.4	4.7
EV/EBITDA @ target price (x) **	14.4	9.6	8.5	7.6	6.9
EV/invested capital (x)	2.6	2.3	2.3	2.5	2.8

* 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	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	KBS	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

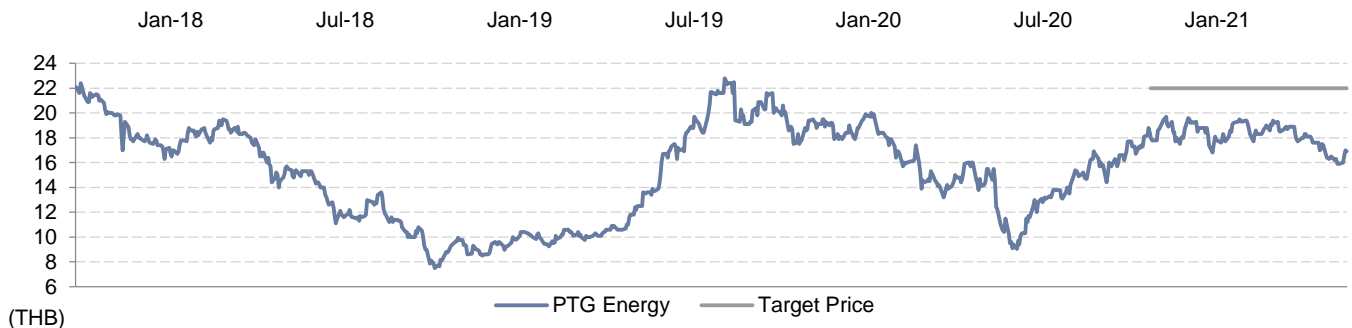
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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

Company	Ticker	Price	Rating	Valuation & Risks
PTG Energy	PTG TB	THB 16.80	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.

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 13-Jan-2021 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.