

18 JANUARY 2021

THAILAND / OIL & GAS

STAR PETROLEUM REFINING

SPRC TB

BUY

UNCHANGED

TARGET PRICE	THB12.00
CLOSE	THB8.75
UP/DOWNSIDE	+37.1%
PRIOR TP	THB8.00
CHANGE IN TP	+50.0%
TP vs CONSENSUS	+43.1%

A margin growth recovery play

การกลับมาของผู้นำตลาดน้ำมันเบนซินของไทย

เราเชื่อว่ากำไรสุทธิของ SPRC ตกต่ำสุดใน 3Q20 และมีแนวโน้มดีดกลับโดยเริ่มต้นในช่วง 4Q20 ถึง 2021 การฟื้นตัวดังกล่าวจะได้แรงผลักดันจาก 1) Product Margins ที่ค่อย ๆ ฟื้นตัวจาก Gasoline-Dubai Margin ที่จะอยู่ในระดับสูง ซึ่งจะช่วยเหลือกดดัน Market GRM ของให้บริษัท ให้สูงขึ้น; 2) แนวโน้ม Crude Premium ที่ค่อนข้างทรงตัวหลังปรับขึ้นใน 2Q20 จากสมดุลอุปสงค์อุปทานที่เปราะบาง; และ 3) การหายไปของผลขาดทุนสินค้าคงคลังที่เคยเกิดขึ้นใน 2020

น้ำมันเบนซินยังเป็นตัวกระตุ้นที่ดีที่สุด

ในฐานะบริษัทกลั่นน้ำมันรายใหญ่ของประเทศไทยที่มีผลตอบแทนการผลิตเป็นเบนซินสูงที่สุดที่ 28% เทียบกับค่าเฉลี่ยของบริษัทกลั่นน้ำมันไทยที่ 20% เราคิดว่า SPRC เป็นตัวเลือกที่ดีที่สุดสำหรับ Gasoline-Dubai margin ที่อยู่ในระดับสูงของประเทศไทยจากการขาดแคลนอุปทานเบนซิน อันนำมาซึ่งอัตรากำไรระหว่างเบนซินและน้ำมันดิบที่สูงขึ้น เราเชื่อว่า Gasoline-Crude Margin ที่ดียังยั่งยืนจะเป็นรากฐานสำคัญสำหรับค่าการกลั่นของ SPRC และทำให้ค่าการกลั่นของบริษัท ฟื้นตัวได้ในปี 2021 ตามการฟื้นตัวของ Diesel และ Jet Fuel Margin เนื่องจากการคาดการณ์กันว่าความต้องการของโลกจะค่อย ๆ ฟื้นตัวตามการฉีดวัคซีน COVID

อัตราการใช้กำลังการผลิตกำลังเพิ่มสูงขึ้น

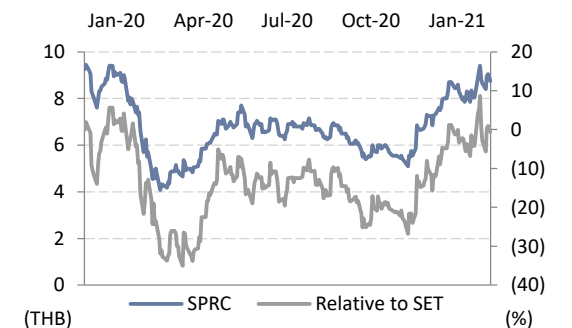
เราคาดว่าอัตราการใช้กำลังการผลิตของ SPRC จะฟื้นตัวอย่างช้า ๆ จาก 83% ในปี 2020 เป็น 90% ในปี 2021 โดยได้แรงผลักดันจาก Product Margins ที่ปรับตัวดีขึ้นโดยเฉพาะอย่างยิ่งสำหรับ Jet และ Diesel-Crude ซึ่งเราคาดว่าจะดีดกลับอย่างเห็นได้ชัดภายใน 2Q21 ตามการฟื้นตัวอย่างค่อยเป็นค่อยไปของเที่ยวบินนานาชาติทั่วโลก เราคิดว่าส่วนผสมน้ำมันดิบและความยืดหยุ่นในการผลิตของ SPRC จะทำให้บริษัท สามารถจับการฟื้นตัวของค่าการกลั่นได้เร็วกว่าบริษัทโรงกลั่นในประเทศส่วนมาก

เคราะห์ร้ายในปี 2020 ผ่านไป สิ่งที่ดีกว่าในปี 2021 กำลังรออยู่ข้างหน้า

เราลงคะแนนให้ซื้อหลังปรับราคาเป้าหมายของเราจาก 8 บาท (2021E EV/EBITDA ที่ 3.9x ซึ่งเป็นระดับการประเมินมูลค่าสำหรับวัฏจักรกลาง) เป็น 12 บาท (2021E EV/EBITDA ที่ 6x ซึ่งยังให้ส่วนลดจากการประเมินมูลค่าสำหรับวัฏจักรในระยะกลาง) เพื่อสะท้อนมุมมองที่รอบคอบของเราสำหรับ Product Margin ที่คาดว่าจะฟื้นตัวอย่างช้า ๆ ในปี 2021 เราปรับลดประมาณการกำไรต่อหุ้นของเราสำหรับปี 2021 ลง 11.5% เพื่อสะท้อนสมมติฐานอัตราการใช้กำลังการผลิตและ Product Margin ที่ลดลง ในขณะที่เราปรับประมาณการกำไรต่อหุ้นของเราสำหรับปี 2022 ขึ้น 3.6% เพื่อสะท้อนมุมมองของเราเกี่ยวกับแนวโน้ม Product Margin และความต้องการที่เป็นบวกมากยิ่งขึ้น เราคิดว่า SPRC ยังมีแนวโน้มที่จะจ่ายเงินปันผลแม้เราจะคาดว่าบริษัท จะรายงานผลขาดทุนสุทธิในปี 2020 เนื่องจากบริษัท อาจใช้สำรองตามกฎหมายเพื่อทำให้กำไรสะสมของบริษัท เป็นบวก ซึ่งจะทำให้บริษัท สามารถจ่ายเงินปันผลได้ในที่สุด

KEY STOCK DATA

YE Dec (THB m)	2019	2020E	2021E	2022E
Revenue	168,840	92,648	155,948	160,702
Net profit	(2,809)	(3,712)	5,112	6,683
EPS (THB)	(0.65)	(0.86)	1.18	1.54
vs Consensus (%)	-	nm	161.6	136.6
EBITDA	(2,336)	3,290	9,816	11,707
Core net profit	(2,809)	(3,712)	5,112	6,683
Core EPS (THB)	(0.65)	(0.86)	1.18	1.54
Chg. In EPS est. (%)	nm	nm	(11.5)	3.6
EPS growth (%)	nm	nm	nm	30.7
Core P/E (x)	(13.5)	(10.2)	7.4	5.7
Dividend yield (%)	2.1	2.3	9.1	10.3
EV/EBITDA (x)	(19.2)	14.2	4.6	3.5
Price/book (x)	1.2	1.3	1.2	1.1
Net debt/Equity (%)	20.9	30.3	22.1	7.7
ROE (%)	(7.9)	(12.2)	17.3	20.8



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	3.6	49.6	(8.4)
Relative to country (%)	0.7	22.4	(4.6)
Mkt cap (USD m)	1,263		
3m avg. daily turnover (USD m)	8.2		
Free float (%)	39		
Major shareholder	Chevron South Asia Holdings Pte Ltd (61%)		
12m high/low (THB)	9.80/3.82		
Issued shares (m)	4,335.90		

Sources: Bloomberg consensus; FSSIA estimates



Suwat Sinsadok

suwat.sin@fssia.com
+66 2611 3558

Siriluck Pinthusoonthorn

siriluck.pin@fssia.com
+66 2611 3562

PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 18 มกราคม 2021

Investment thesis

With IMO 2020 coming into force in Jan 2020 – limiting the sulphur content in fuel oil used by the shipping industry – we think SPRC faces a potential downside risk from a lower fuel oil-Dubai spread; but this should be offset by a widening diesel-fuel oil spread. While purely a refinery business, SPRC's earnings sustainability comes from its low-cost structure, high crude flexibility and high operational efficiency, supported by its parent Chevron.

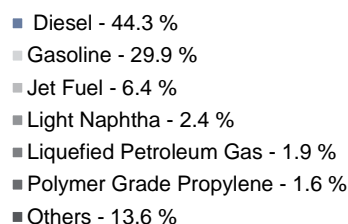
We think SPRC's earnings will continue to grow in 2021-22, driven by sustainable earnings from a higher market gross refining margin (GRM) and its low-cost structure.

Company profile

SPRC is a subsidiary of US-based Chevron, with capacity of 165kb/d. Its competitive, low-cost structure and high crude consumption flexibility are key to sustaining its high market GRM.

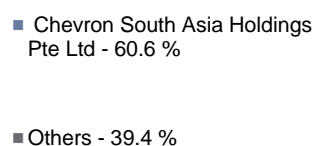
www.sprc.co.th

Principal activities (revenue, 2019)



Source: Star Petroleum Refining

Major shareholders



Source: Star Petroleum Refining

Catalyst

A potential catalyst for SPRC's share price is if its earnings growth recovers in 2021 on a widening diesel-Dubai spread.

Risk to our call

TP is based on EV/EBITDA. Downside risks are a sharp rise in oil price and weak demand for refined oil products.

Event calendar

Date	Event
Feb 2021	4Q20/2020 results announcement

Key assumptions

	2020E	2021E	2022E
Utilisation rate (%)	83.0	90.0	95.0
Market GRM (USD/bbl)	1.8	5.5	6.3
Dubai crude price (USD/bbl)	40.0	50.0	50.0
Gasoline-Dubai spread (USD/bbl)	6.0	10.0	14.0
Jet-Dubai spread (USD/bbl)	1.0	9.0	12.0
Diesel-Dubai spread (USD/bbl)	4.0	11.0	15.0
Fuel oil-Dubai spread (USD/bbl)	(4.0)	(3.0)	(7.0)
Crude premium (USD/bbl)	1.5	3.3	4.3

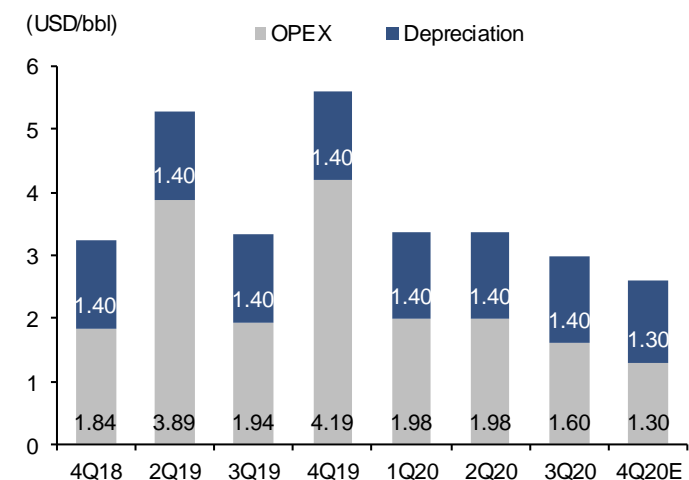
Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in average Dubai oil price, we project that 2021 earnings would rise by 2.8%, and vice versa, all else being equal.
- For every 1% increase in market GRM, we project that 2021 earnings would rise by 2.5%, and vice versa, all else being equal.
- Stability in crude oil price, rising diesel cracks and low crude premiums are key for earnings growth.

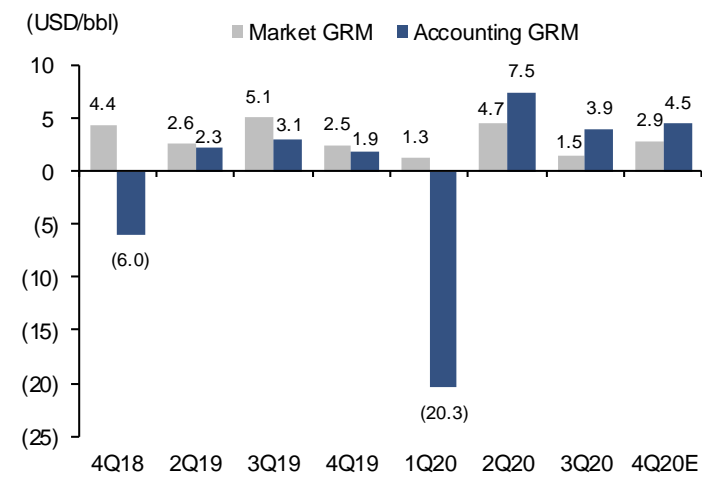
Source: FSSIA estimates

Exhibit 1: Cost structure



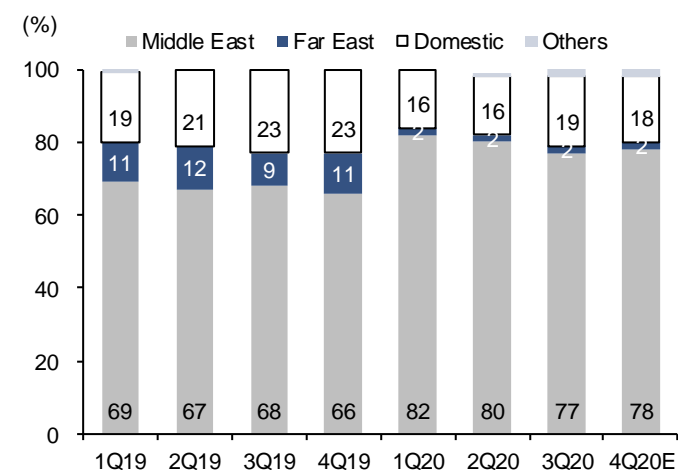
Sources: SPRC; FSSIA estimates

Exhibit 2: Market and accounting GRMs



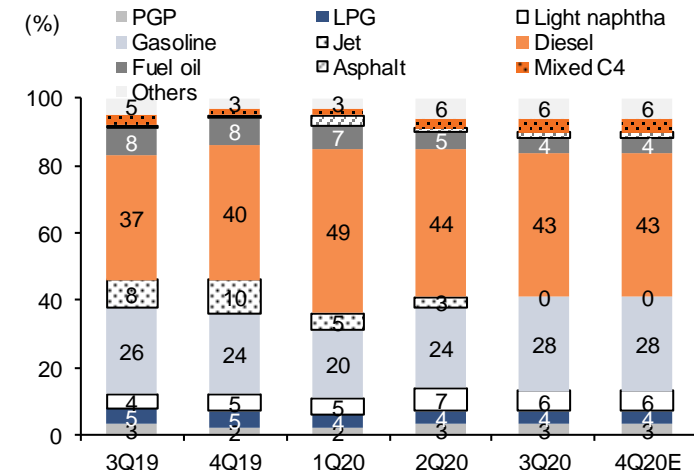
Sources: SPRC; FSSIA estimates

Exhibit 3: Crude mix



Sources: SPRC; FSSIA estimates

Exhibit 4: Production yield



Sources: SPRC; FSSIA estimates

Exhibit 5: Key changes in assumptions

(THB m)	Current			Previous			Change (%)		
	2020E	2021E	2022E	2020E	2021E	2022E	2020E	2021E	2022E
Revenue	92,648	155,948	160,702	92,648	156,891	160,375	0.0	(0.6)	0.2
Gross profit	4,217	11,377	13,316	4,217	12,198	13,031	0.0	(6.7)	2.2
Operating profit	692	6,530	8,421	692	7,341	8,140	0.0	(11.0)	3.5
Core net profit	(3,712)	5,112	6,683	(3,851)	5,773	6,454	(3.6)	(11.5)	3.6
EPS	0.1	1.2	1.5	0.1	1.3	1.5	0.0	(11.5)	3.6
Key assumptions									
Utilisation rate (%)	83.0	90.0	95.0	90.0	95.0	95.0	(7.8)	(5.3)	0.0
Market GRM (USD/bbl)	1.8	5.5	6.3	1.8	5.8	6.2	0.0	(6.0)	2.0
Dubai crude price (USD/bbl)	40.0	50.0	50.0	40.0	50.0	50.0	0.0	0.0	0.0
Gasoline-Dubai spread (USD/bbl)	6.0	10.0	14.0	6.0	10.0	14.0	0.0	0.0	0.0
Jet-Dubai spread (USD/bbl)	1.0	9.0	12.0	1.0	10.0	10.0	0.0	(10.0)	20.0
Diesel-Dubai spread (USD/bbl)	4.0	11.0	15.0	4.0	12.0	15.0	0.0	(8.3)	0.0
Fuel oil-Dubai spread (USD/bbl)	(4.0)	(3.0)	(7.0)	(4.0)	(3.0)	(7.0)	0.0	0.0	0.0
Crude premium (USD/bbl)	1.5	3.3	4.3	1.5	3.3	4.3	0.0	0.0	0.0

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

Source: FSSIA estimates

Financial Statements

Star Petroleum Refining

Profit and Loss (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Revenue	209,159	168,840	92,648	155,948	160,702
Cost of goods sold	(203,451)	(169,486)	(88,431)	(144,571)	(147,387)
Gross profit	5,709	(646)	4,217	11,377	13,316
Other operating income	-	-	-	-	-
Operating costs	(947)	(1,690)	(927)	(1,561)	(1,608)
Operating EBITDA	4,762	(2,336)	3,290	9,816	11,707
Depreciation	(2,737)	(2,565)	(2,598)	(3,286)	(3,286)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	2,025	(4,901)	692	6,530	8,421
Net financing costs	743	1,179	(327)	(294)	(261)
Associates	0	0	0	0	0
Recurring non operating income	35	29	(4,918)	35	38
Non recurring items	0	0	0	0	0
Profit before tax	2,804	(3,693)	(4,553)	6,271	8,198
Tax	(541)	885	841	(1,159)	(1,515)
Profit after tax	2,263	(2,809)	(3,712)	5,112	6,683
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	2,263	(2,809)	(3,712)	5,112	6,683
Non recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	2,263	(2,809)	(3,712)	5,112	6,683
Per share (THB)					
Recurring EPS *	0.52	(0.65)	(0.86)	1.18	1.54
Reported EPS	0.52	(0.65)	(0.86)	1.18	1.54
DPS	0.59	0.18	0.20	0.80	0.90
Diluted shares (used to calculate per share data)	4,336	4,336	4,336	4,336	4,336
Growth					
Revenue (%)	22.6	(19.3)	(45.1)	68.3	3.0
Operating EBITDA (%)	(61.3)	nm	nm	198.4	19.3
Operating EBIT (%)	(78.6)	nm	nm	843.8	29.0
Recurring EPS (%)	(74.6)	nm	nm	nm	30.7
Reported EPS (%)	(74.6)	nm	nm	nm	30.7
Operating performance					
Gross margin inc depreciation (%)	1.4	(1.9)	1.7	5.2	6.2
Gross margin of key business (%)	1.4	(1.9)	1.7	5.2	6.2
Operating EBITDA margin (%)	2.3	(1.4)	3.6	6.3	7.3
Operating EBIT margin (%)	1.0	(2.9)	0.7	4.2	5.2
Net margin (%)	1.1	(1.7)	(4.0)	3.3	4.2
Effective tax rate (%)	19.3	24.0	18.5	18.5	18.5
Dividend payout on recurring profit (%)	113.6	(28.2)	(23.4)	67.9	58.4
Interest cover (X)	(2.8)	4.1	(12.9)	22.3	32.4
Inventory days	24.3	33.0	56.1	31.0	38.1
Debtor days	21.6	21.3	28.3	16.8	16.3
Creditor days	19.9	27.7	42.6	23.5	28.9
Operating ROIC (%)	3.9	(10.3)	1.5	(3.7)	(4.8)
ROIC (%)	3.9	(9.9)	(8.7)	(3.5)	(4.5)
ROE (%)	5.6	(7.9)	(12.2)	17.3	20.8
ROA (%)	2.9	(6.9)	(6.9)	10.4	13.1
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue By Division (THB m)					
Diesel	87,542	74,741	44,723	46,700	29,474
Gasoline	60,711	50,452	34,428	55,843	50,194
Jet Fuel	15,170	10,802	4,950	9,528	4,641
Light Naphtha	5,912	4,027	2,524	4,225	4,225

Sources: Star Petroleum Refining; FSSIA estimates

Financial Statements

Star Petroleum Refining

Cash Flow (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Recurring net profit	2,263	(2,809)	(3,712)	5,112	6,683
Depreciation	2,737	2,565	2,598	3,286	3,286
Associates & minorities	-	-	-	-	-
Other non-cash items	-	-	-	-	-
Change in working capital	3,592	(1,245)	1,829	(1,236)	(57)
Cash flow from operations	8,592	(1,489)	715	7,162	9,912
Capex - maintenance	(2,685)	(2,518)	(2,598)	(3,286)	(3,286)
Capex - new investment	(2,041)	(1,965)	(330)	(1,019)	(1,019)
Net acquisitions & disposals	0	0	0	0	0
Other investments (net)	6,609	6,645	(4,950)	0	0
Cash flow from investing	1,883	2,162	(7,877)	(4,305)	(4,305)
Dividends paid	(12,652)	(8,317)	(271)	(3,035)	(3,469)
Equity finance	0	0	0	0	0
Debt finance	(3,689)	6,369	2,681	(2,000)	(4,000)
Other financing cash flows	3,768	1,220	5,609	2,038	2,037
Cash flow from Financing	(12,573)	(727)	8,019	(2,997)	(5,431)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(2,098)	(54)	858	(140)	175
Free cash flow to firm (FCFF)	10,525.25	719.65	(6,835.20)	3,151.13	5,868.26
Free cash flow to equity (FCFE)	10,554.11	8,263.27	1,128.57	2,894.93	3,644.20
Per share (THB)					
FCFF per share	2.43	0.17	(1.58)	0.73	1.35
FCFE per share	2.43	1.91	0.26	0.67	0.84
Recurring cash flow per share	1.15	(0.06)	(0.26)	1.94	2.30
Balance Sheet (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Tangible fixed asset (gross)	72,396	69,391	71,659	73,927	76,194
Less: Accumulated depreciation	(43,698)	(42,705)	(45,303)	(48,589)	(51,875)
Tangible fixed assets (Net)	28,698	26,686	26,356	25,337	24,319
Intangible fixed assets (Net)	144	124	124	124	124
Long-term financial assets	-	-	-	-	-
Invest. In associates & subsidiaries	0	0	0	0	0
Cash & equivalents	74	20	877	737	912
A/C receivable	12,541	7,192	7,192	7,192	7,192
Inventories	12,820	17,856	9,317	15,232	15,528
Other current assets	87	456	250	421	434
Current assets	25,521	25,524	17,636	23,581	24,066
Other assets	647	1,960	1,960	1,960	1,960
Total assets	55,011	54,294	46,076	51,002	50,469
Common equity	38,529	32,476	28,493	30,570	33,784
Minorities etc.	0	0	0	0	0
Total Shareholders' equity	38,529	32,476	28,493	30,570	33,784
Long term debt	449	0	4,000	2,000	0
Other long-term liabilities	328	484	484	484	484
Long-term liabilities	778	484	4,484	2,484	484
A/C payable	12,126	13,567	7,079	11,572	11,798
Short term debt	0	6,819	5,500	5,500	3,500
Other current liabilities	3,579	949	521	876	903
Current liabilities	15,704	21,334	13,099	17,948	16,201
Total liabilities and shareholders' equity	55,011	54,294	46,076	51,002	50,469
Net working capital	9,743	10,989	9,159	10,396	10,453
Invested capital	39,233	39,759	37,600	37,817	36,856
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	8.89	7.49	6.57	7.05	7.79
Tangible book value per share	8.85	7.46	6.54	7.02	7.76
Financial strength					
Net debt/Equity (%)	1.0	20.9	30.3	22.1	7.7
Net debt/total assets (%)	0.7	12.5	18.7	13.3	5.1
Current ratio (x)	1.6	1.2	1.3	1.3	1.5
CF interest cover (x)	(15.9)	(7.7)	5.5	14.3	18.8
Valuation	2018	2019	2020E	2021E	2022E
Recurring P/E (x) *	16.8	(13.5)	(10.2)	7.4	5.7
Recurring P/E @ target price (x) *	23.0	(18.5)	(14.0)	10.2	7.8
Reported P/E (x)	16.8	(13.5)	(10.2)	7.4	5.7
Dividend yield (%)	6.8	2.1	2.3	9.1	10.3
Price/book (x)	1.0	1.2	1.3	1.2	1.1
Price/tangible book (x)	1.0	1.2	1.3	1.2	1.1
EV/EBITDA (x) **	8.0	(19.2)	14.2	4.6	3.5
EV/EBITDA @ target price (x) **	11.0	(25.2)	18.4	6.0	4.7
EV/invested capital (x)	1.0	1.1	1.2	1.2	1.1
* Pre-exceptional & pre-goodwill are fully diluted ** EBITDA includes associate income and recurring non operating income					

Sources: Star Petroleum Refining; FSSIA estimates

Corporate Governance report of Thai listed companies 2019

EXCELLENT LEVEL										
AAV	ADVANC	AIRA	AKP	AKR	AMA	AMATA	AMATAV	ANAN	AOT	AP
ARROW	BAFS	BANPU	BAY	BCP	BCPG	BOL	BRR	BTS	BTW	BWG
CFRESH	CHEWA	CHO	CK	CKP	CM	CNT	COL	COMAN	CPALL	CPF
CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC	EA	EASTW	ECF
EGCO	GBX	GC	GCAP	GEL	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	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
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	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

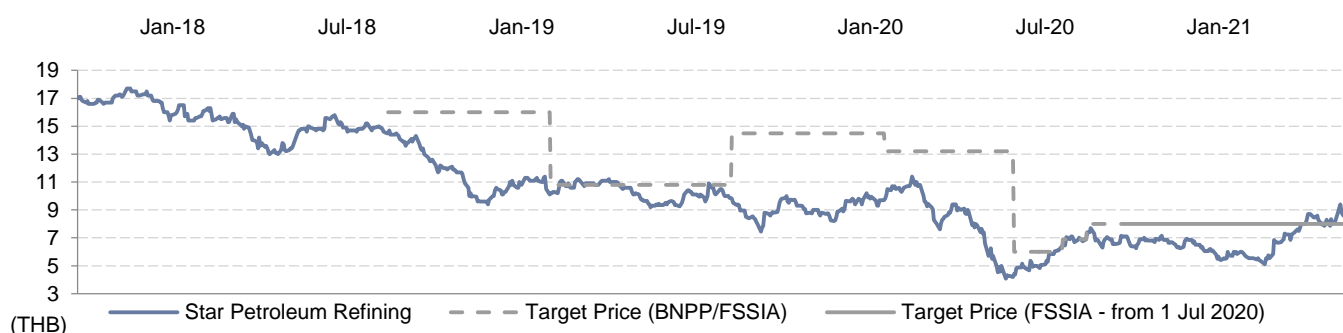
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

This report has been prepared by FSS International Investment Advisory Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSS makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSS has no intention to solicit investors to buy or sell any security in this report. In addition, FSS does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

History of change in investment rating and/or target price

Star Petroleum Refining (SPRC TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
09-Oct-2018	HOLD	16.00	11-Dec-2019	BUY	13.20	02-Jun-2020	BUY	8.00
26-Feb-2019	HOLD	10.80	31-Mar-2020	BUY	6.00			
01-Aug-2019	BUY	14.50	12-May-2020	BUY	6.90			

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

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Star Petroleum Refining	SPRC TB	THB 8.75	BUY	TP is based on EV/EBITDA. Downside risks are a sharp rise in oil price and weak demand for refined oil products.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 15-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.