

24 FEBRUARY 2021

THAILAND / OIL & GAS

PTG ENERGY PTG TB

BUY

UNCHANGED

TARGET PRICE	THB24.50
CLOSE	THB18.40
UP/DOWNSIDE	+33.2%
PRIOR TP	THB24.50
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+10.2%

การพลิกฟื้นในธุรกิจที่ไม่ใช่น้ำมันเป็นปัจจัยสำคัญ

การพลิกฟื้นของธุรกิจที่ไม่ใช่น้ำมันในปี 2021-22 จะเป็นปัจจัยหนุนการเติบโตในปี 2023

เราเชื่อว่าธุรกิจที่ไม่ใช่น้ำมัน (Non-oil) จะไม่เพียงแต่ช่วยรักษา แต่จะช่วยกระพือกระแสการเติบโตของกำไรสุทธิของ PTG อีกด้วย ใน 3 ธุรกิจหลักของ PTG ธุรกิจ Non-oil มีอัตรากำไรขั้นต้นที่สูงที่สุด และแม้ว่าธุรกิจดังกล่าวจะสร้างรายได้เพียง 5% ของรายได้รวมในปี 2019 แต่กลับให้ 10-20% ของกำไรขั้นต้นของบริษัท เราคาดว่ากำไรสุทธิที่ได้จากธุรกิจ Non-oil จะเพิ่มเป็น 1 ใน 3 ของกำไรสุทธิรวมของบริษัท ภายในปี 2023 จาก 10-20% ในปี 2019-9M20

กาแฟผสมกัญชงอาจกลายเป็นสินค้าขายดีของ PTG

ด้วยอัตรากำไรขั้นต้นที่สูงถึง 65% ของกาแฟพันธุ์ไทย (Pun Thai) และ 70% ของ Coffee World (CW) ซึ่งสูงที่สุดในตราสินค้าทั้งหมดของ PTG เราคาดว่าในปี 2021-23 PTG จะสร้างกำไรจากธุรกิจอาหารและเครื่องดื่ม (F&B) ได้อยู่ในช่วง 300-500 ลบ. พลิกจากที่เคยขาดทุนสุทธิ 0.2 พัน ลบ. ในปี 2019 เราคาดว่า EBITDA margin ของธุรกิจ F&B จะเพิ่มจาก 10-15% ในปี 2020 เป็น 20% ในปี 2022 โดยได้แรงผลักดันจากรายได้และ EBITDA ที่เพิ่มขึ้นจากธุรกิจ PunThai และ CW เรามองว่าการเติบโตของ EBITDA จากธุรกิจร้านสะดวกซื้อ (CVS) ภายใต้ตราสินค้า Max Mart จะแซงหน้าที่ได้จากธุรกิจ F&B เนื่องจากรูปแบบธุรกิจที่ผู้จัดจำหน่ายเป็นเจ้าของและดำเนินงานเอง (COCO) อาจนำมาซึ่งต้นทุนในด้านเงินลงทุนที่สูงขึ้น

ความเสี่ยงต่ำจากธุรกิจโรงไฟฟ้า (EV)

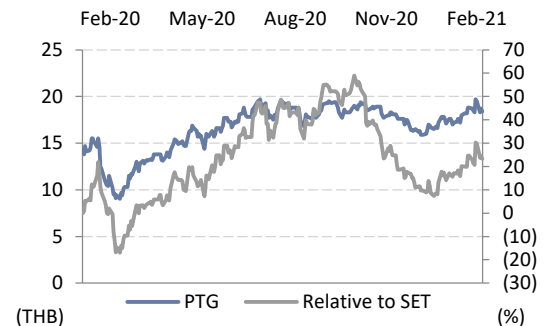
เราเชื่อว่ากระแสความนิยมในถาวรไฟฟ้าที่กำลังจะมาถึงควรมีผลกระทบจำกัดต่อธุรกิจสถานีบริการน้ำมันของ PTG ในช่วง 10-20 ปีข้างหน้าเนื่องจาก 1) PTG มีกลยุทธ์ในการติดตั้งสถานีชาร์จรถไฟฟ้าจำนวนมากในสถานีบริการน้ำมันของบริษัท เพื่อรองรับความต้องการที่กำลังเพิ่มสูงขึ้น กลยุทธ์ดังกล่าวควรมีส่วนช่วยชดเชยความต้องการน้ำมันที่ลดลง; และ 2) จากข้อมูลของบริษัท เราคาดว่าธุรกิจ Non-oil จะให้ EBITDA ที่สูงขึ้น โดยเฉพาะจากธุรกิจกาแฟที่อยู่ภายใต้ธุรกิจ F&B เนื่องจาก PTG เป็นบริษัทแรกที่น่าเสนอกลยุทธ์ในกาแฟและเครื่องดื่มของบริษัท

การเติบโตของธุรกิจน้ำมันและการพลิกฟื้นของธุรกิจ Non-oil ในปี 2021

เราลงคะแนนซื้อที่ราคาเป้าหมาย 24.5 บาท เราคาดว่ากำไรสุทธิมีสมมติฐานจากค่า 2021E P/E ที่ 24x สำหรับธุรกิจสถานีบริการน้ำมันและค่า 2021E P/E ที่ 13x สำหรับธุรกิจไฮโดรคาร์บอน เรามองว่าที่ค่า 2021E P/E ประมาณ 16x PTG ยังคงน่าสนใจจากแนวโน้มการเติบโตของกำไรสุทธิที่ดี ในขณะที่กำไรของบริษัท มีความยั่งยืนมากขึ้นจากการผสมผสานทางธุรกิจที่ดีขึ้นระหว่างธุรกิจไฮโดรคาร์บอนกับธุรกิจสถานีบริการน้ำมันปลายทาง

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 (%)	-	3.8	5.0	0.8
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. (%)	-	-	-	-
EPS growth (%)	149.8	13.2	10.8	6.8
Core P/E (x)	19.7	17.4	15.7	14.7
Dividend yield (%)	-	-	0.8	1.1
EV/EBITDA (x)	7.6	6.7	5.8	5.2
Price/book (x)	4.6	4.1	3.5	3.1
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 (%)	7.6	1.1	26.0
Relative to country (%)	8.1	(5.0)	21.3
Mkt cap (USD m)	1,023		
3m avg. daily turnover (USD m)	18.7		
Free float (%)	48		
Major shareholder	Ratchakrit Holding (25%)		
12m high/low (THB)	20.10/8.95		
Issued shares (m)	1,670.00		

Sources: Bloomberg consensus; FSSIA estimates



Suwat Sinsadok

suwat.sin@fssia.com
+66 2611 3558

Siriluck Pinthusoonthorn

siriluck.pin@fssia.com
+66 2611 3562

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 24 กุมภาพันธ์ 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.

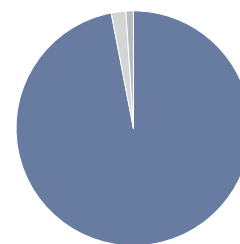
Company profile

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.ptgenergy.co.th

Principal activities (revenue, 2019)

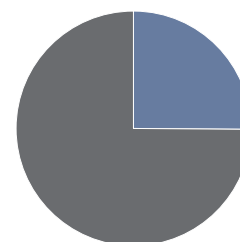
- Sales of petroleum products and others - 97.0 %
- Sales of consumable products - 2.0 %
- Others - 1.0 %



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

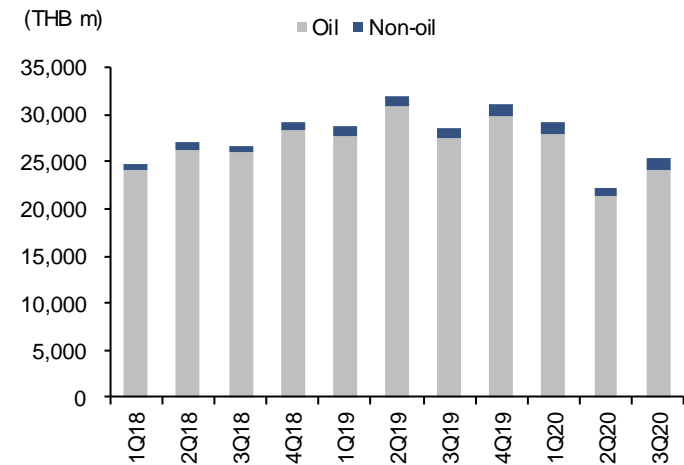
- For every 1% increase in marketing margin, we estimate 2021 earnings will rise by 4.3%, and vice versa, all else being equal.

Source: FSSIA estimates

Low threat from EV

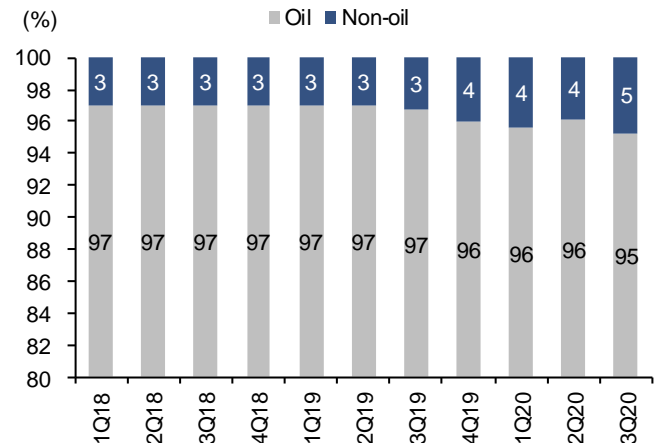
In the past 12 months, the Thai government has issued a number of key policies aimed at promoting and accelerating the transformation of the automotive industry from its focus on internal combustion engine (ICE) vehicles to EVs. As a result, there is an increasing concern that the EV industry could potentially erode PTG's net profit growth outlook, given that most of PTG's revenue comes from its oil business, accounting for over 95% in 2020, with the remaining coming from its non-oil business.

Exhibit 1: Revenue breakdown



Source: PTG

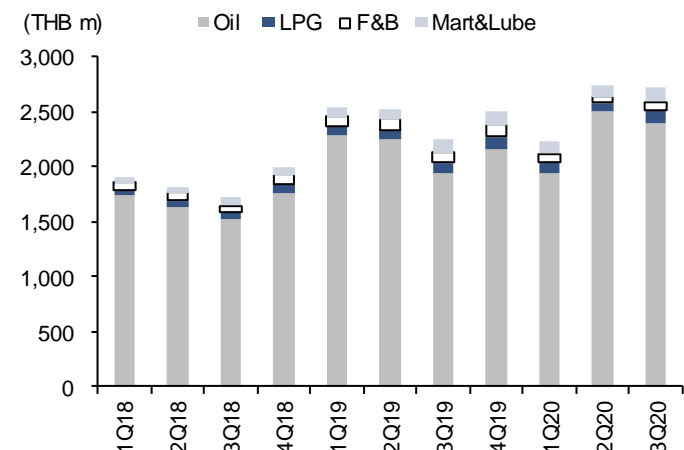
Exhibit 2: Revenue breakdown (%)



Source: PTG

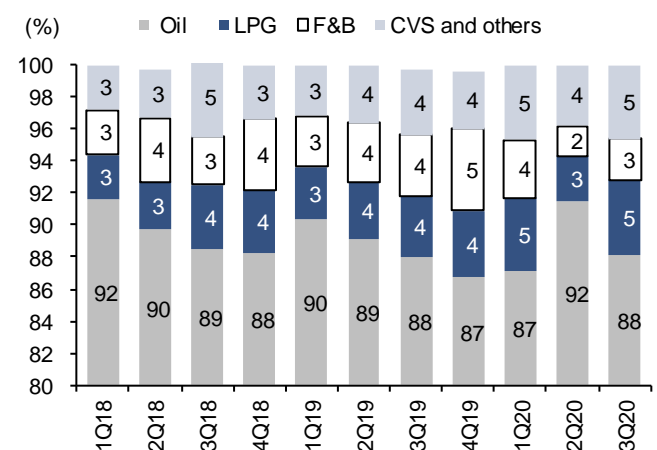
However, we believe the upcoming EV influx should have a limited impact on PTG's oil stations over the next 10-20 years, given 1) PTG's strategy to install a higher number of EV charging stations at its oil stations to cope with the rising demand, which should partly offset the lower oil demand; and 2) the projected higher EBITDA from its non-oil business, particularly for the coffee units under the F&B segment thanks to PTG's first-mover advantage by introducing hemp into its coffee and beverages, according to management's guidance.

Exhibit 3: Gross profit breakdown by business



Source: PTG

Exhibit 4: Gross profit breakdown by business (%)



Source: PTG

Non-oil turnaround in 2021-22 into a growth engine by 2023. We believe the segment that will not only sustain but also amplify PTG's net profit growth momentum is its non-oil business. Within PTG's three key business units, the non-oil segment generated the highest gross margin, and despite representing only 5% of its total revenue in 2019, the non-oil business accounted for 10-20% of PTG's gross profit. We project that the net profit generated from PTG's non-oil unit will account for one-third of PTG's total net profit by 2023, up from 10-20% in 2019-9M20.

Exhibit 5: PTG's non-oil financial analysis

	Gross profit margin (%)	Expected payback period (year)	Number of outlets (outlet)	Expected breakeven	Current sales as of 3Q20	Investment cost per store (THB m)	2019 (THB m)	9M20 (THB m)
LPG	21	6	201	na	80,000-90,000 litres/store	Filling plant 30-60, LPG station 15	77*	129*
PunThai	60-70	2	273	90-100 cups/store/day	90-100 cups/store/day	2	(12)	(20)
CW	70	2	57**	70 cups/store/day	70 cups/store/day	3	(4)	(42)
Max Mart	17-20	8	212	THB 17,000-18,000/day	THB 15,000-16,000/day	5	(50)	(50)
Autobacs	25-30	6	16	THB 30,000/day	THB 30,000/day	4-5	(30)***	(20)***
Maxnitron Lube	35	na	47	na	na	-	na	na

* LPG is at gross profit level









** CW, 18 COCO outlets were closed during 2020

*** Autobacs is at net profit level due to the share of profits before consolidating with PTG in 4Q20

Sources: PTG; FSSIA estimates

PTG's key non-oil businesses include the PunThai and CW coffee houses, the Max Mart CVS, the Autobacs car repair and maintenance shops, LPG and other F&B ventures under various franchises, as well as the rental income from its space management venture. PTG aims to increase its non-oil EBITDA from only 10% to 50% by 2023. Hence, we project PTG's non-oil business to be the main growth driver for the company in the next 3-5 years, driven mainly by an EBITDA turnaround from PunThai, CW and its CVS.

Exhibit 6: PTG touch points as of 3Q20

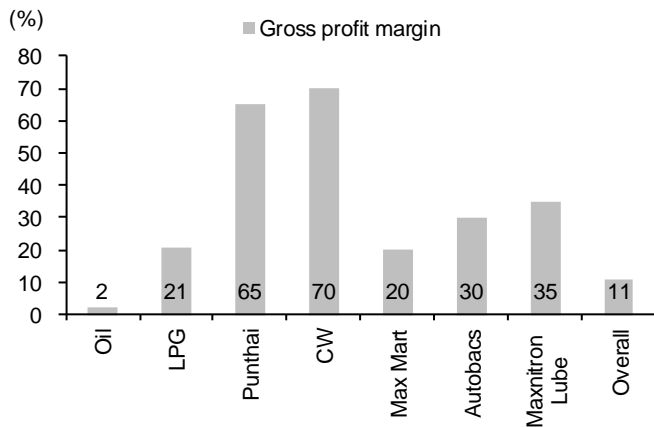
 11 Rest Areas	 57 Locations	 273 Locations	 47 Locations	 99 Gas Shops
	 212 Locations		 16 Locations	 9 Locations

Source: PTG

Driver #1: F&B business – Thanks to the high gross margin at 65% for PunThai Coffee and 70% for CW, the highest among PTG's brands, we project that in 2021-23, PTG will generate earnings from F&B in the range of THB300m-500m, a turnaround from the net loss of THB0.2b in 2019.

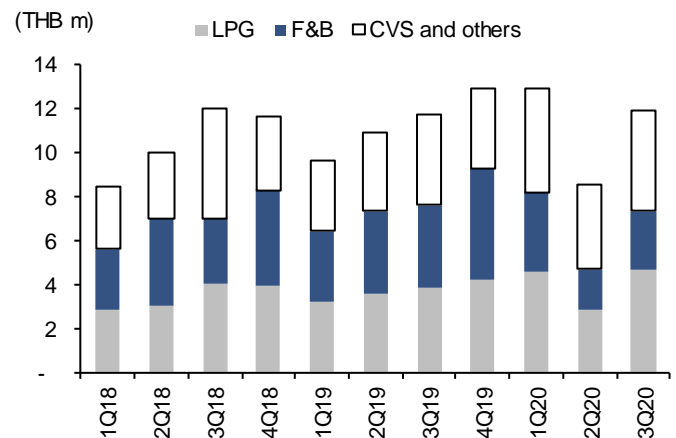
We project the F&B EBITDA margin to rise from 10-15% in 2020 to 20% in 2022, driven by higher revenue and EBITDA from the high-margin PunThai and CW. We think the EBITDA growth from its CVS segment under Max Mart will be slower than the EBITDA growth from the F&B segment, considering that the COCO model could lead to higher investment costs.

Exhibit 7: Gross profit margin breakdown by business as of 3Q20



Sources: PTG; FSSIA estimates

Exhibit 8: F&B gross profit breakdown



Source: PTG

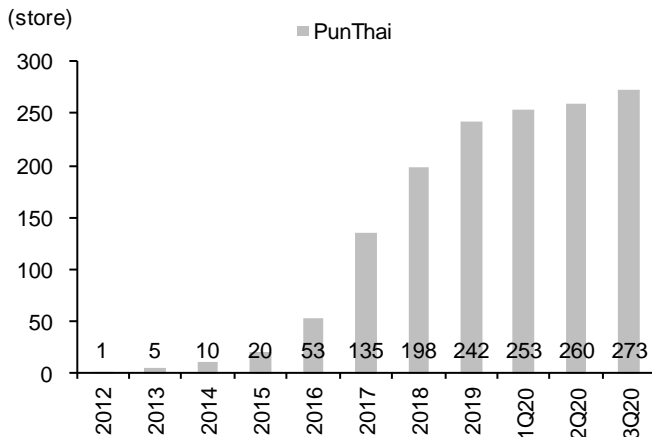
PTG's two main own F&B brands include:

PunThai - While the actual financial information has not been disclosed, we estimate that PunThai is now close to its EBITDA breakeven level at 90-100 cups per day per outlet. Most PunThai outlets are COCO, with high investment costs for the construction works. We project its EBITDA to turn around from a net loss of THB20m in 9M20, driven by two key factors:

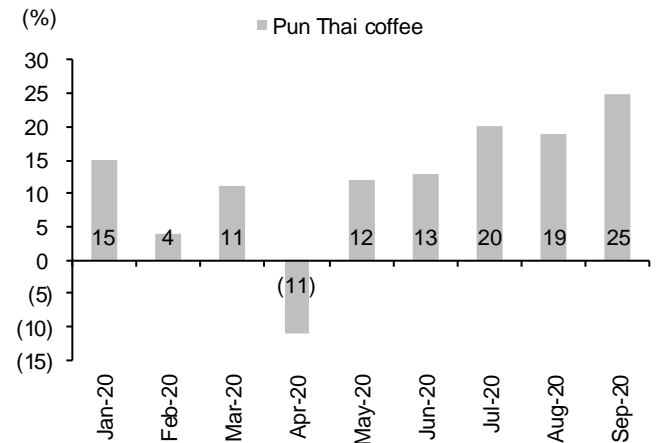
1) An expansion in the number of outlets, mostly via in-station platforms. We project that by 2022, PTG will increase the number of its PunThai outlets from 187 in 2018 to 600 in 2025, adding an average of 20 stations annually. Most of PunThai's outlets are COCO with higher investment costs for the brick-and-mortar construction works, based on our estimate.

2) A higher number of cups sold. We expect the average number of cups sold to rise to 90-100 cups sold per store per day in 2020, as the number of cups sold via delivery services should partly offset the impact of the lower in-store sales due to the national lockdown in 2020, up from 80-90 cups sold per store per day in 2019.

According to management, PTG aims to create brand recognition and a larger market presence for their Arabica coffee, presenting an opportunity for PTG to employ an asset-light growth strategy, using mostly dealer-owned, dealer-operated (DODO) or franchise-based formats for its new PunThai outlets. We believe this could also increase the number of cups sold.

Exhibit 9: Number of PunThai coffee shops

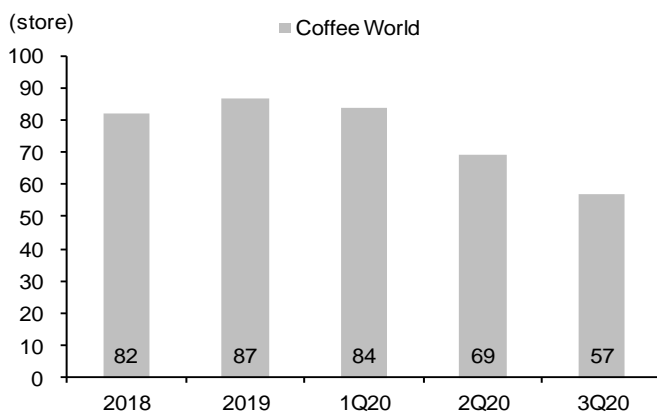
Source: PTG

Exhibit 10: PunThai sales volume growth

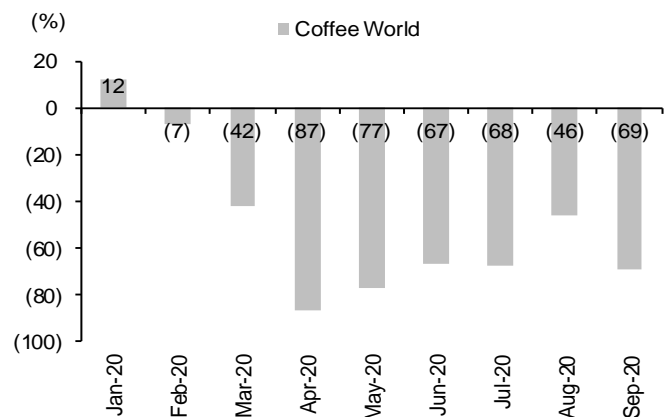
Source: PTG

Coffee World - 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. However, we believe that operating CW shops outside of airports have nearly reached breakeven at 70 cups per day per outlet, but still generated a net loss of THB42m in 9M20 due to the high headquarters expense and depreciation expense allocation. According to management, PTG sees this as an opportunity to improve its operations and reorganization, lowering the number of CW outlets from 84 in 4Q19 to 57 in 3Q20.

One of the first movers in hemp products. The Thai government recently legalized hemp and CBD extracts to be used in food and beverages, approved by the Thai Food and Drug Administration. According to management, PTG, together with a partner are in the process of research & development and attempting to acquire a permit for their products that contain hemp, including coffee and other beverages. PTG expects to commercialise drinks and food within the next 3-6 months through its PunThai, CW and Max Mart branches. Due to the limited hemp supply, it is planning to procure the necessary supply by cooperating with community enterprises to grow and supply hemp crops. We believe that hemp F&B could be a value-added product in PTG's F&B business starting in 2022 onward.

Exhibit 11: Number of Coffee World outlets

Source: PTG

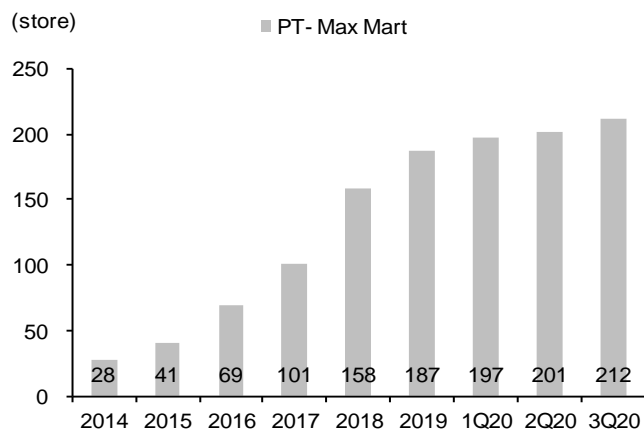
Exhibit 12: Coffee World sales volume growth

Source: PTG

Driver #2: Convenience stores – We believe that PTG's Max Mart should provide another key success factor for PTG's oil stations to attract a higher number of customers to boost the oil sales volume per station and EBITDA from the non-oil segment. PTG owns and operates Pt Max Mart, running 212 outlets at end-3Q20, and is aiming to accelerate its branch expansion, in line with the aggressive expansion of its new fuel stations nationwide.

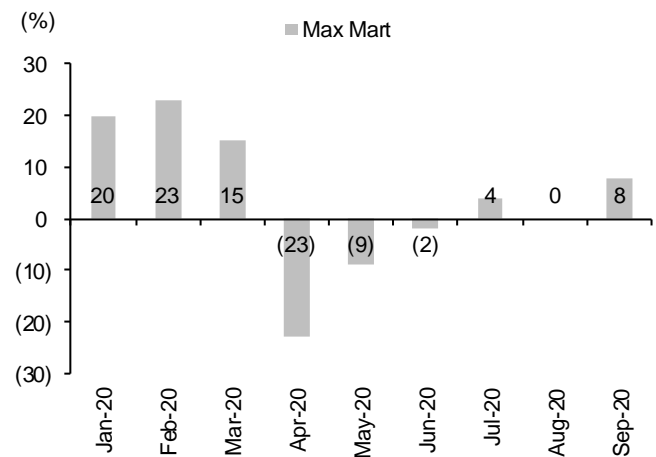
However, Max Mart is still operating inefficiently due to the high inventory cost as a result of its low inventory turnover. Hence, PTG is aiming to increase its sales to THB18,000 per outlet per day, up from THB15,000 per outlet per day in 3Q20.

Exhibit 13: Number of PT Max Mart outlets



Source: PTG

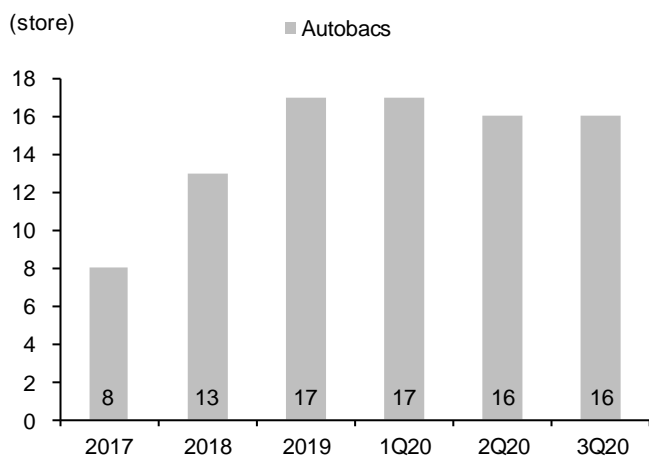
Exhibit 14: Max Mart sales volume growth



Source: PTG

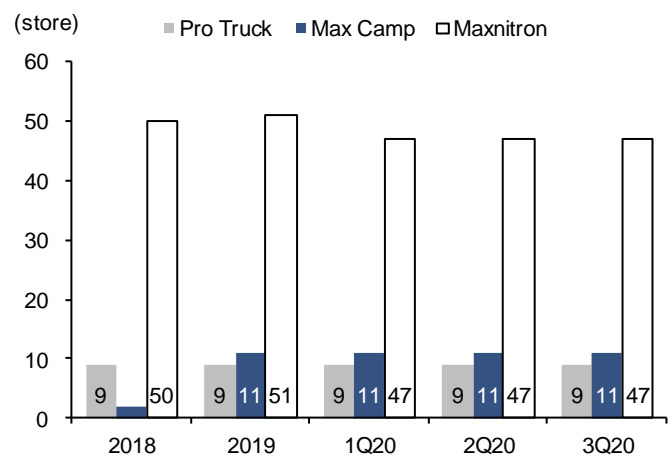
Driver #3: Automotive stores – After the acquisition of another 38.26% stake in Siam Autobacs in Oct-20, increasing its stake to 76.52%. PTG has consolidated Autobacs and has taken full control over its business strategy in 4Q20. We believe Autobacs could improve from a loss of THB3m per month to a loss of THB0.5m per month 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. It currently owns 16 Autobacs stores and aims to add 20 additional stores each year.

Exhibit 15: Number of Autobacs outlets



Source: PTG

Exhibit 16: Number of other non-oil business outlets

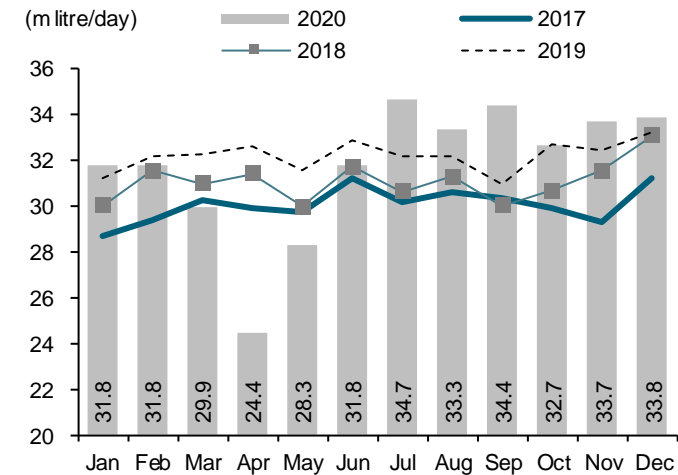


Source: PTG

Biodiesel could be a surprising driver

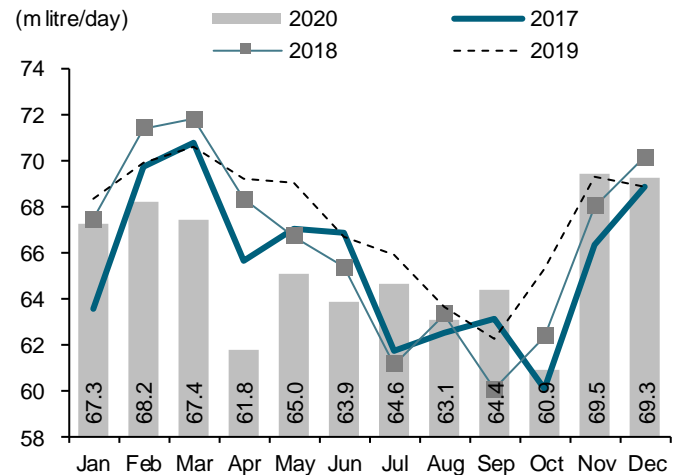
In 2020, gasoline and diesel demand were not only resilient to the impact of COVID-19, but also grew y-y for gasoline and stayed flat y-y for diesel, thanks to the Thai government's policy to partially limit economic activities but not fully restrict all activities. Hence, mobility in the country remained high and the demand for gasoline and diesel followed.

Exhibit 17: Gasoline consumption in Thailand



Source: Department of Energy Business (DOEB)

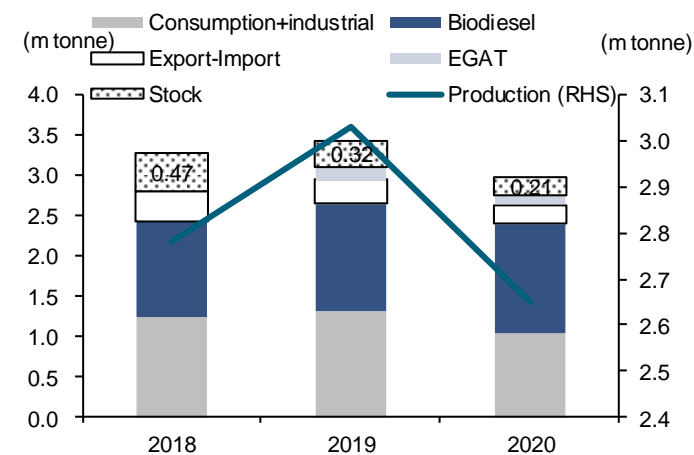
Exhibit 18: Diesel consumption in Thailand



Source: DOEB

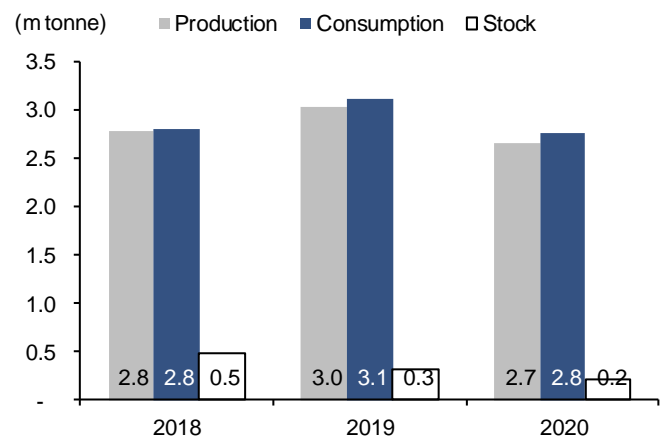
Following the Thai government's promotion of B10 biodiesel to gradually replace the existing B7 starting in Jan-20, the demand for B100 rose markedly in 2020, from 4.9mlpd in 2019 to 5.1mlpd in 2020. However, due to the COVID-19 lockdown, the demand for biodiesel declined from 5.3mlpd in 1Q20 to 4.9mlpd in 2Q20, 5.0mlpd in 3Q20 and 5.1mlpd in 4Q20. We think demand will recover in 2021 onward, toward the 5.3-5.5mlpd level seen before the COVID-19 outbreak in Thailand.

Exhibit 19: CPO production, consumption and stock breakdown



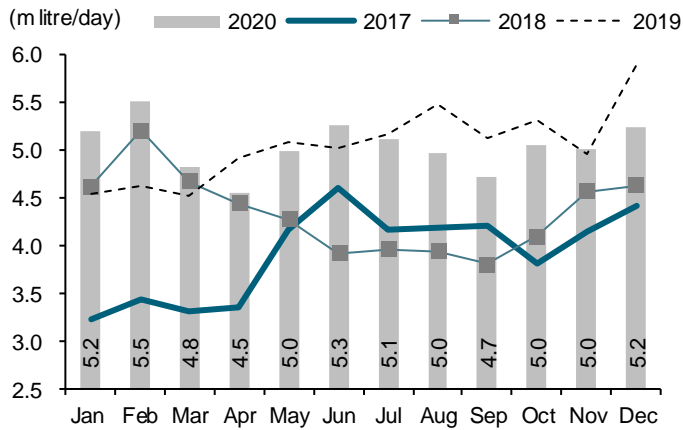
Source: GGC

Exhibit 20: CPO production, consumption and stock

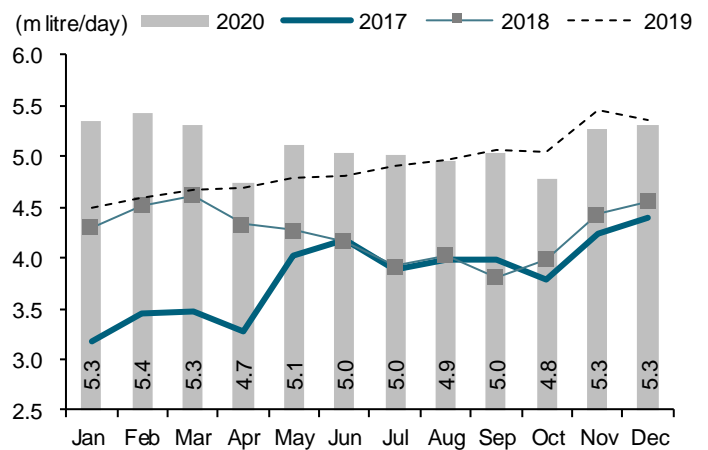


Source: GGC

We see that the CPO production has declined from 3.03m tonnes in 2019 to 2.65 m tonnes in 2020, down 12.54% y-y. Given the higher demand from biodiesel at 1.37m tonnes in 2020 from 1.34m tonnes in 2019, due to the decrease in crude palm oil (CPO) stock from 0.5m tonnes in mid-2020 to 0.2m tonnes in Jan-21, we believe this could help sustain the CPO price in 2021.

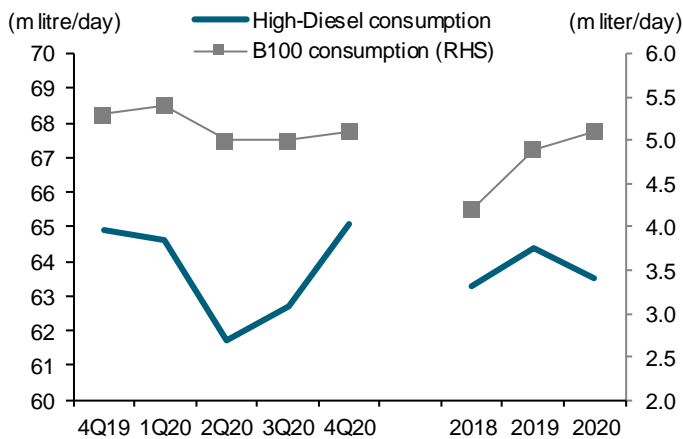
Exhibit 21: Domestic biodiesel production

Source: DOEB

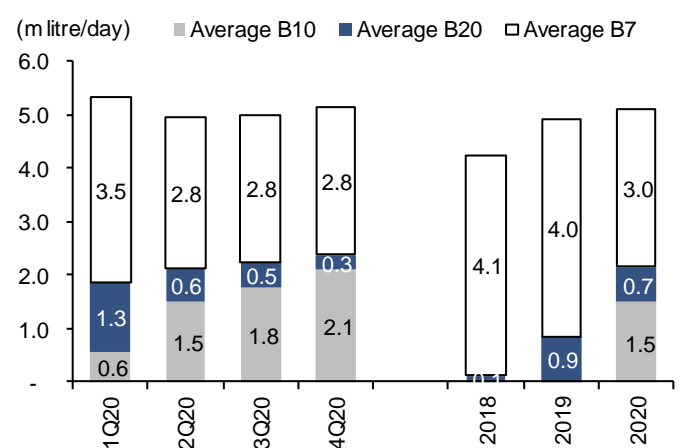
Exhibit 22: Domestic biodiesel consumption

Source: DOEB

Since the government's enforcement of B10 biodiesel to gradually replace B7, the demand for B10 has risen markedly from 0.6mlpd in 1Q20 to 2.1mlpd in 4Q20 at the expense of a lower demand for B7 and B20. We think this trend will continue until B10 fully replaces B7 by 2021, based on the government's plan.

Exhibit 23: Diesel demand and B100 demand

Source: GGC

Exhibit 24: B10, B20, B7 consumption

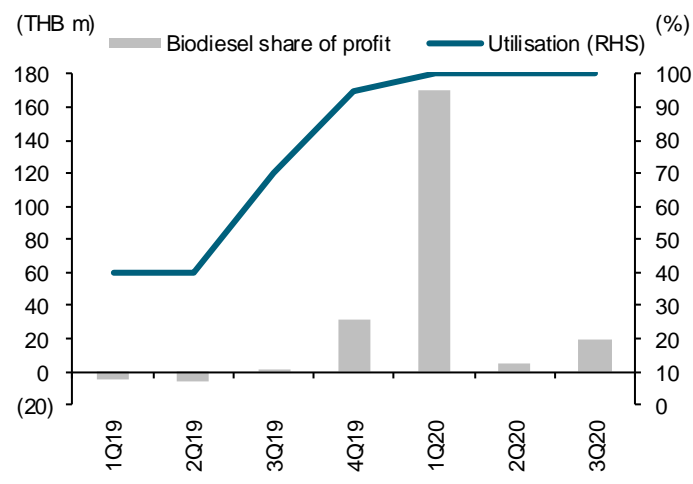
Source: GGC

Biodiesel could be a surprising driver for PTG on top of its oil and non-oil business

PTG is poised for stronger net profit growth from biodiesel via its 40% holdings in Palm Complex. We believe PTG's entry into the biodiesel business is strategically sound, given the strong biodiesel demand due to the government's B10 mandate since Jan-20, timely capturing the demand growth for diesel via B7, B10 and B20. Since its commercial operation date (COD) in Apr-19, PTG's 0.5mlpd capacity biodiesel complex has generated a strong share of profits of THB194m in 9M20, and is expected to be a key earnings driver in 2021 onward.

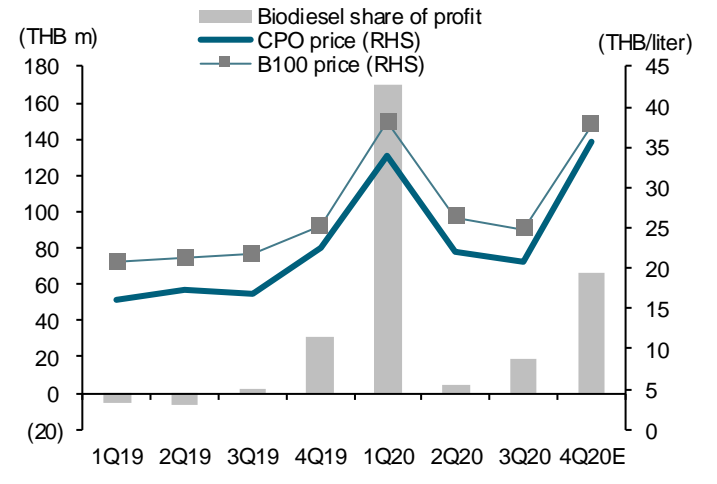
PTG posted a strong share of profits of THB170m in 1Q20, followed by THB4.6m in 2Q20 and THB19m in 3Q20. We believe PTG could achieve a share of profits of THB260m annually in 2020-21, with a better share of profits of THB65m from biodiesel in 4Q20 due to 1) a higher demand for biodiesel and a higher B10 sales volume proportion; and 2) a strong ME-CPO margin.

Exhibit 25: Biodiesel share of profits vs utilisation



Source: PTG

Exhibit 26: Biodiesel share of profits vs CPO price vs B100 price



Sources: PTG; DOEB; FSSIA estimates

Valuation remains attractive

As one of Thailand's leading oil station operators and a producer of biodiesel, we believe PTG's net profit growth outlook will remain strong in 2021-23, backed by 1) rising earnings from its oil stations, as PTG continues to expand the number of its oil stations to gain market share; 2) improving earnings from its non-oil business, mainly for F&B and the potential upside from the new hemp-related products in 2022 onward; and 3) sustainably solid earnings from biodiesel thanks to the higher demand for B100 and the rising CPO price.

Exhibit 27: SoTP target price

PTG valuation	THB m	THB/shr	Comments
Oil station	40,744	24.4	At 24x FY21E P/E
Biodiesel	3,373	2.1	At 13x FY21E P/E
Net debt	(3,261)	(2.0)	FY21E net debt
Total value	40,856	24.5	

Sources: PTG; FSSIA estimates

We maintain BUY and our SoTP-based TP of THB24.5, based on 24x 2021E P/E for its oil stations and 13x 2021E P/E for its biodiesel business. We think that at its implied c16x 2021E P/E, PTG remains attractive for its strong net profit growth momentum and its improved earnings sustainability thanks to the higher business integration of upstream biodiesel into its downstream oil station business.

Exhibit 28: Peer comparisons

Company	BBG code	Rec	Share Price	Target price	Upside	Market Cap	3Y EPS CAGR	----- PE -----		---- ROE ----		---- PBV ----		EV / EBITDA	
								20E	21E	20E	21E	20E	21E	20E	21E
			(LCY)	(LCY)	(%)	(USD m)	(%)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)
THAILAND															
PTG Energy	PTG TB	BUY	18.70	24.5	31	1,040	10.2	17.7	16.0	24.8	23.9	4.1	3.6	6.8	5.9
Esso Thailand	ESSO TB	BUY	8.90	14.3	61	1,026	214.1	(11.0)	7.1	(13.7)	20.8	1.6	1.3	54.8	5.3
Bangchak	BCP TB	BUY	28.25	38.0	35	1,277	52.4	(10.5)	14.8	(7.6)	5.6	0.8	0.8	22.8	9.7
Susco	SUSCO TB	BUY	2.84	4.0	NA	95	(3.6)	14.9	10.4	4.8	5.7	0.6	0.6	13.9	6.7
Siamgas & Petro	SGP TB	NA	11.30	NA	NA	667	NA	NA	NA	NA	NA	NA	NA	NA	NA
Thailand avg						4,104	70.7	(1.2)	10.6	0.6	13.1	1.7	1.5	22.8	6.0
MALAYSIA															
Petronas Dagangan	PETD MK	NA	19.16	NA	NA	4,716	(1.2)	59.0	29.6	5.3	11.2	3.2	3.3	19.9	13.0
Malaysia avg						4,716	(1.2)	59.0	29.6	5.3	11.2	3.2	3.3	19.9	13.0
Oil station under coverage															
Average (all)						8,820	32.3	31.0	20.8	3.1	12.1	2.5	2.4	21.2	9.7

Share prices as of 23 February 2021

Sources: Bloomberg, 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)	2018	2019	2020E	2021E	2022E
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) *	49.2	19.7	17.4	15.7	14.7
Recurring P/E @ target price (x) *	65.5	26.2	23.2	20.9	19.6
Reported P/E (x)	49.2	19.7	17.4	15.7	14.7
Dividend yield (%)	-	-	-	0.8	1.1
Price/book (x)	5.6	4.6	4.1	3.5	3.1
Price/tangible book (x)	5.9	4.8	4.2	3.6	3.1
EV/EBITDA (x) **	11.4	7.6	6.7	5.8	5.2
EV/EBITDA @ target price (x) **	14.4	9.6	8.5	7.6	6.9
EV/invested capital (x)	2.8	2.5	2.5	2.7	3.0
* Pre-exceptional & pre-goodwill are fully diluted ** EBITDA includes associate income and recurring non operating income					

Sources: PTG Energy; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICHI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PCSGH	PDJ	PG	PHOL	PLANB	PLANET
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TMB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TSC	TSR	TSTE	TSTH	TTA
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		
VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSI	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIIK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							
GOOD LEVEL										
7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	HL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TIPIP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		
Description								Score Range		
Excellent								90-100		
Very Good								80-89		
Good								70-79		

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 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANA	AP	AQUA	ARROW
ASK	ASP	AYUD	B	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG
BGC	BGRIM	BJCHI	BKI	BLA	BPP	BROOK	BRR	BSBM	BTS	BWG
CEN	CENTEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT	CM	CMC
COL	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DELTA	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FPI	FPT	FSS
FTE	GBX	GC	GCAP	GEL	GFPT	GGC	GJS	GPSC	GSTEEL	GUNKUL
HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS	INET	INSURE	INTUCH	IRPC
ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL
KTB	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	M	MAKRO
MALEE	MBAX	MBK	MBKET	MC	MCOT	MFC	MFEC	MINT	MONO	MOONG
MPG	MSC	MTC	MTI	NBC	NEP	NINE	NKI	NMG	NNCL	NSI
NWR	OCC	OCEAN	OGC	ORI	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPPM
PPS	PREB	PRG	PRINC	PRM	PSH	PSL	PSTC	PT	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QLT	QTC	RATCH	RML	RWI	S & J
SABINA	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SEAOL	SE-ED	SELIC
SENA	SGP	SIRI	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK
SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC
TAE	TAKUNI	TASCO	TBSP	TCAP	TCMC	TFG	TFI	TFMAMA	THANI	THCOM
THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT	TMB	TMD	TMILL	TMT
TNITY	TNL	TNP	TNR	TOG	TOP	TPA	TPCORP	TPP	TRU	TSC
TSTH	TTCL	TU	TVD	TVI	TVO	TWPC	U	UBIS	UEC	UKEM
UOBKH	UWC	VGI	VIH	VNT	WACOAL	WHA	WHAUP	WICE	WIJK	XO
ZEN	TRUE									
DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

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

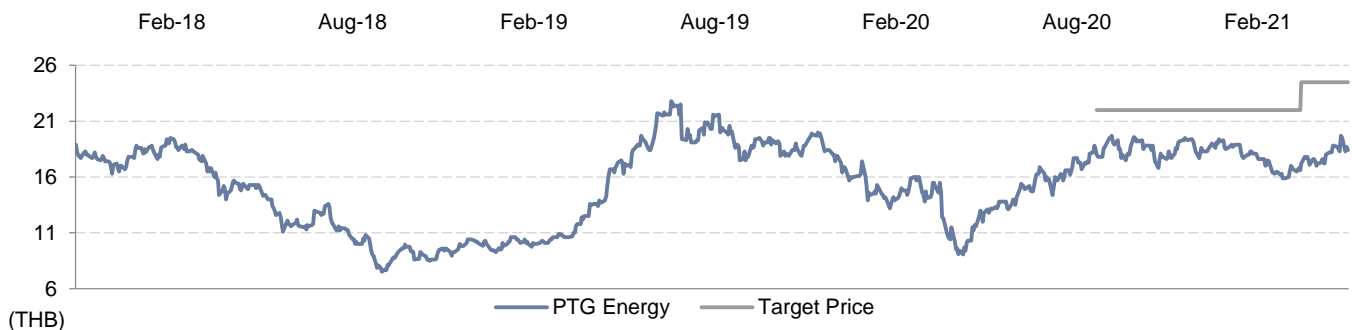
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

PTG Energy (PTG TB)



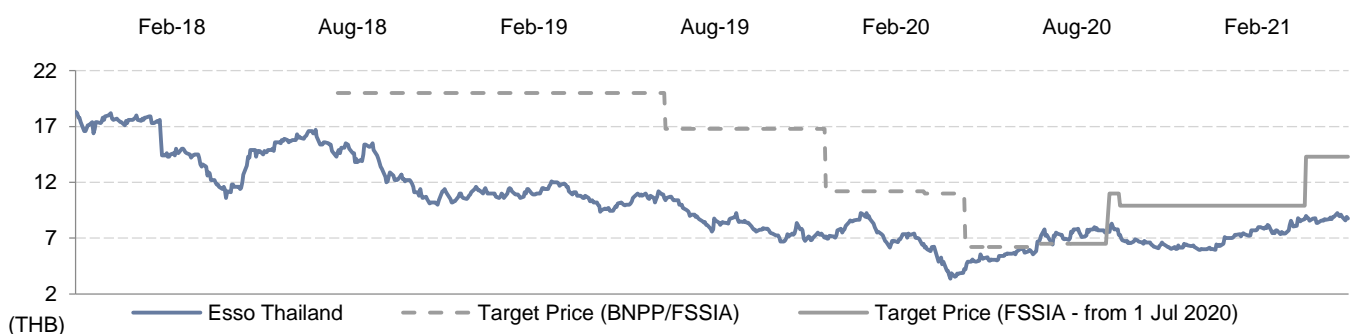
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
22-Jul-2020	BUY	22.00	09-Sep-2020	BUY	22.00	14-Jan-2021	BUY	24.50

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

Price and TP are in local currency

Source: FSSIA estimates

Esso Thailand (ESSO TB)

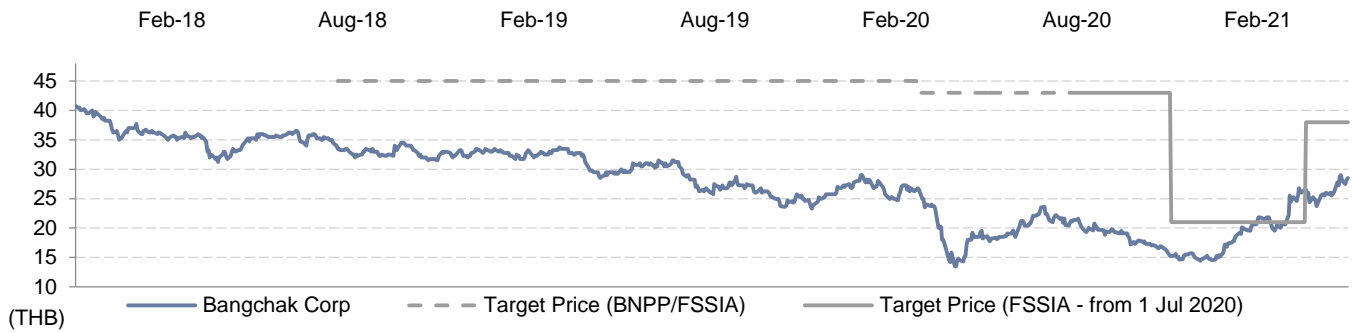


Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
09-Oct-2018	BUY	20.00	01-Apr-2020	BUY	6.20	11-Aug-2020	BUY	9.90
18-Jul-2019	BUY	16.80	26-May-2020	BUY	6.50	18-Jan-2021	BUY	14.30
03-Dec-2019	BUY	11.20	26-May-2020	BUY	6.50			
26-Feb-2020	BUY	11.00	31-Jul-2020	BUY	11.00			

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

Price and TP are in local currency

Source: FSSIA estimates

Bangchak Corp (BCP TB)

Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
09-Oct-2018	BUY	45.00	20-Feb-2020	BUY	43.00	18-Jan-2021	BUY	38.00
08-Nov-2019	BUY	45.00	24-Sep-2020	BUY	21.00			

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

Price and TP are in local currency

Source: FSSIA estimates

Susco (SUSCO TB)

Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
29-Dec-2020	BUY	4.00	-	-	-	-	-	-

Suwat Sinsadok started covering this stock from 29-Dec-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
PTG Energy	PTG TB	THB 18.40	BUY	The downside risks to our SoTP-based TP include 1) a government cap on oil prices; and 2) weaker demand for diesel and gasoline.
Esso Thailand	ESSO TB	THB 8.75	BUY	The downside risks to our SoTP-based TP on ESSO include 1) lower-than-expected demand for petroleum products; 2) a higher crude premium, and 3) unplanned shutdowns of its refinery and petrochemical plants.
Bangchak Corp	BCP TB	THB 28.50	BUY	The downside risks to our SoTP-based TP include: 1) lower-than-expected demand for petroleum products; 2) higher crude premiums; and 3) unplanned shutdowns of the company's refinery plants.
Susco	SUSCO TB	THB 2.92	BUY	The downside risks to our SoTP-based TP include: 1) lower-than-expected demand for petroleum products; 2) a lower marketing margin; and 3) weaker-than-expected jet fuel demand.

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 24-Feb-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.