

2 SEPTEMBER 2021

THAILAND / OIL & GAS

PTG ENERGY

PTG TB

BUY

UNCHANGED

| | |
|-----------------|----------|
| TARGET PRICE | THB20.80 |
| CLOSE | THB18.20 |
| UP/DOWNSIDE | +14.3% |
| PRIOR TP | THB18.80 |
| CHANGE IN TP | +10.6% |
| TP vs CONSENSUS | -6.7% |

ยอดขายที่ดี อัตรากำไรที่ทรงตัวเป็นปัจจัยสำคัญ

ปริมาณขายที่ดีแม้ว่าอุตสาหกรรมจะซบเซา

ในระหว่างการประชุมทางโทรศัพท์กับ FSSIA ผู้บริหารยืนยันมุมมองเชิงบวกของเราเกี่ยวกับแนวโน้มการเติบโตของกำไรสุทธิและความยั่งยืนของ PTG ในปี 2021-23 ที่มีปัจจัยหนุนจากจุดแข็งสำคัญ 3 ประการ กล่าวคือ ปริมาณขายที่ดี ความยั่งยืนของอัตรากำไร และโอกาสในการเติบโตในธุรกิจ Oleochemical ปริมาณขายที่ดีมากของ PTG ในธุรกิจสถานีบริการน้ำมันแม้ว่าจะได้รับผลกระทบจากมาตรการปิดเมืองเพื่อรับมือปัญหาโรคระบาด สะท้อนถึงความไม่ยั่งยืนของความต้องการที่อยู่ในระดับสูงจากรายการสมัครเป็นสมาชิกที่ได้ผลและราคาที่แข่งขันได้ แม้ว่าจะมีมาตรการปิดเมืองใน 3Q21 PTG คาดว่าปริมาณขายน้ำมันจะลดลง 10% q-q จากปริมาณขายที่ลดลงอย่างรุนแรงในเดือน ก.ค. (-30% m-m) ก่อนค่อย ๆ พื้นตัวในเดือน ส.ค. (-10% m-m) อย่างไรก็ดีบริษัท คาดว่าตัวเลขดังกล่าวจะติดลบอย่างรุนแรงในเดือน ก.ย. ผู้บริหารคาดว่ากำไรสุทธิจะฟื้นตัวในช่วง 4Q21-2022 โดยได้แรงหนุนจากการฟื้นตัวของความต้องการน้ำมัน การเพิ่มจำนวนสถานีบริการ และการพลิกฟื้นของกำไรสุทธิในธุรกิจที่ไม่ใช่น้ำมันส่วนมากจาก PunThai และร้านกาแฟ Coffee World หลังเปิดเศรษฐกิจเต็มตัว

อัตรากำไรทรงตัวภายใต้สถานการณ์ราคาน้ำมันที่ผันผวนรุนแรง

ผู้บริหารระบุว่า Marketing margin (MM) ของ PTG ในธุรกิจสถานีบริการน้ำมันมีแนวโน้มทรงตัวอยู่ในช่วง 1.8-1.9 บาท/ลิตร แม้ว่าราคาน้ำมันจะผันผวนสูงจากการควบคุมต้นทุนที่มีประสิทธิภาพของ PTG การดำเนินงานที่มีความยืดหยุ่นสูงและการนำเสนอสินค้า รวมถึงการบริหารสินค้าคงคลังอย่างมีประสิทธิภาพ เราคาดว่าถ้าสมมติให้ปัจจัยอื่นคงที่ MM ที่เพิ่มขึ้นทุก ๆ 0.1 บาท/ลิตรจะทำให้ได้กำไรสุทธิ 0.1 พัน ลบ. ต่อไตรมาส

ธุรกิจ Oleochemical โตจากโรงผลิตไบโอดีเซลที่ผลิตจากผลปาล์ม

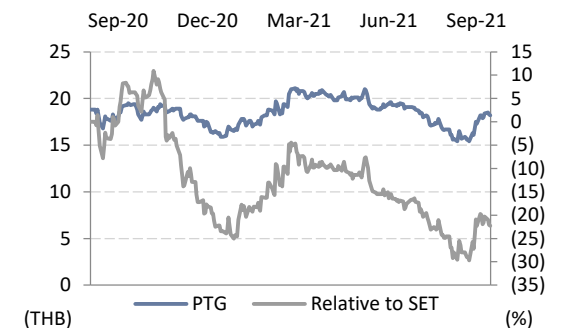
บริษัทย่อยในธุรกิจไบโอดีเซลที่ PTG ถือหุ้นอยู่ 40% ได้สร้างส่วนแบ่งกำไรที่ยั่งยืนในช่วง 0.3 พัน ลบ. ต่อปีให้แก่บริษัทฯ จากความต้องการไบโอดีเซลที่มีในระดับสูงตามมาตรการส่งเสริมภาครัฐ การควบคุมต้นทุนที่มีประสิทธิภาพ และรูปแบบธุรกิจสถานีบริการน้ำมันไบโอดีเซลที่ผลิตจากน้ำมันปาล์มดิบ (CPO) ผู้บริหารวางแผนขยายธุรกิจที่เกี่ยวข้องกับ CPO ไปสู่ธุรกิจ Oleochemical ซึ่งให้อัตรากำไรสุทธิที่สูงกว่ามาก และวางแผนจดทะเบียนบริษัทย่อยดังกล่าวในตลาดฯ ภายใน 2Q22

คำแนะนำซื้อหลังปรับราคาเป้าหมายเป็น 20.8 บาท

เราแนะนำให้ซื้อหลังปรับราคาเป้าหมายจาก 18.8 บาท (21x ของค่า 2021E EV/EBITDA) สำหรับสถานีบริการน้ำมันเป็น 20.8 บาท (23x ของค่า 2021E EV/EBITDA) เพื่อสะท้อนปริมาณขายน้ำมันและ EBITDA ของธุรกิจที่ไม่ใช่น้ำมันที่ดีขึ้นของ PTG แม้ว่าจะมีปัญหาระบาด Covid-19

KEY STOCK DATA

| YE Dec (THB m) | 2020 | 2021E | 2022E | 2023E |
|----------------------|---------|---------|---------|---------|
| Revenue | 104,590 | 140,086 | 152,180 | 166,767 |
| Net profit | 1,894 | 1,933 | 2,044 | 2,271 |
| EPS (THB) | 1.13 | 1.16 | 1.22 | 1.36 |
| vs Consensus (%) | - | 1.6 | (0.4) | (2.9) |
| EBITDA | 5,831 | 5,839 | 5,896 | 6,174 |
| Core net profit | 1,857 | 1,897 | 2,008 | 2,235 |
| Core EPS (THB) | 1.11 | 1.14 | 1.20 | 1.34 |
| Chg. In EPS est. (%) | - | - | - | - |
| EPS growth (%) | 19.0 | 2.1 | 5.9 | 11.3 |
| Core P/E (x) | 16.4 | 16.0 | 15.1 | 13.6 |
| Dividend yield (%) | - | 0.8 | 1.1 | 1.1 |
| EV/EBITDA (x) | 6.9 | 6.4 | 5.9 | 5.2 |
| Price/book (x) | 3.9 | 3.4 | 3.0 | 2.7 |
| Net debt/Equity (%) | 121.2 | 78.6 | 44.2 | 11.7 |
| ROE (%) | 25.6 | 22.5 | 21.0 | 20.7 |



| Share price performance | 1 Month | 3 Month | 12 Month |
|--------------------------------|--------------------------|---------|----------|
| Absolute (%) | 15.9 | (6.2) | (1.6) |
| Relative to country (%) | 7.9 | (7.1) | (21.4) |
| Mkt cap (USD m) | 939 | | |
| 3m avg. daily turnover (USD m) | 9.2 | | |
| Free float (%) | 48 | | |
| Major shareholder | Ratchakrit Holding (25%) | | |
| 12m high/low (THB) | 21.90/15.30 | | |
| 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 2 กันยายน 2021

Investment thesis

PTG is one of Thailand's leading service station plays, with 2,094 oil and mixed stations at end-2020. 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 6.37% CAGR from 2020-23, 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.

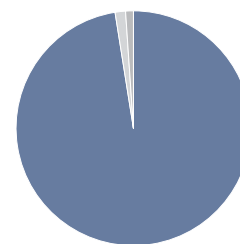
Company profile

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, 2020)

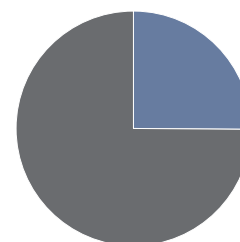
- Sales of petroleum products and others - 97.5 %
- Sales of consumable products - 1.4 %
- Others - 1.1 %



Source: PTG Energy

Major shareholders

- Ratchakrit Holding - 25.1 %
- Others - 74.9 %



Source: PTG Energy

Catalysts

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.

Risks 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 |
|----------|---------------------------|
| Nov 2021 | 3Q21 results announcement |

Key assumptions

| | 2021E | 2022E | 2023E |
|--|-------|-------|-------|
| Sales volume (oil) (m litres/year) | 5,356 | 5,784 | 6,363 |
| Marketing margin (LPG & station) (THB/litre) | 1.86 | 1.85 | 1.85 |
| Utilisation of biodiesel (%) | 100 | 100 | 100 |

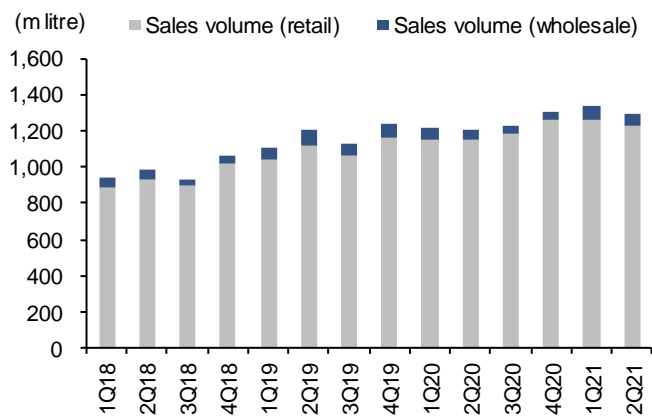
Source: FSSIA estimates

Earnings sensitivity

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

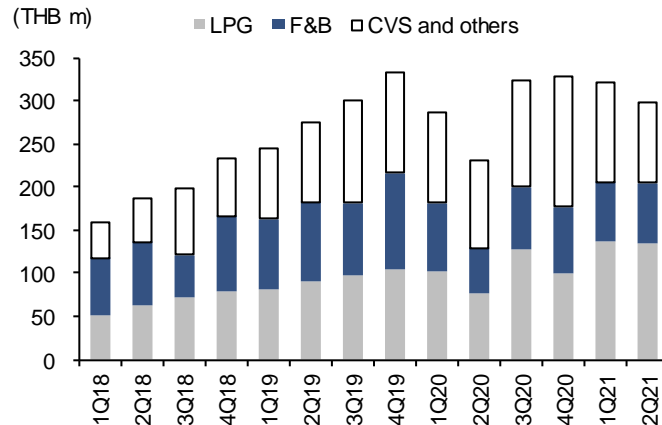
Source: FSSIA estimates

Exhibit 1: Oil sales volume



Source: PTG

Exhibit 2: Non-oil gross profit breakdown



Source: PTG

Exhibit 3: SOTP valuation

| PTG valuation | THB m | THB/shr | Comments |
|--------------------|---------------|-------------|------------------------|
| Oil stations | 38,450 | 23.1 | At 23x 2021E EV/EBITDA |
| Biodiesel | 3,399 | 2.1 | At 13x 2021E P/E |
| Net debt | (7,139) | (4.3) | 2021E net debt |
| Total value | 34,710 | 20.8 | |

Source: FSSIA estimates

Exhibit 4: Peer comparisons

| Company | BBG code | Rec | Share Price | Target price | Upside | Market Cap | 3Y EPS CAGR | ----- PE ----- | | --- ROE --- | | --- PBV --- | | EV / EBITDA | |
|----------------------|----------|-----|-------------|--------------|--------|---------------|-------------|----------------|-------------|-------------|-------------|-------------|------------|-------------|-------------|
| | | | | | | | | 21E | 22E | 21E | 22E | 21E | 22E | 21E | 22E |
| | | | (LCY) | (LCY) | (%) | (USD m) | (%) | (x) | (x) | (%) | (%) | (x) | (x) | (x) | (x) |
| Thailand | | | | | | | | | | | | | | | |
| PTT Oil and Retail | OR TB | BUY | 30.00 | 36 | 20 | 11,122 | 1.6 | 38.4 | 31.3 | 13.9 | 11.5 | 3.7 | 3.5 | 25.9 | 19.1 |
| PTG Energy | PTG TB | BUY | 18.20 | 20.8 | 14 | 939 | 6.4 | 16.0 | 15.1 | 22.5 | 21.0 | 3.4 | 3.0 | 6.4 | 5.9 |
| Esso Thailand | ESSO TB | BUY | 7.80 | 14.3 | 83 | 834 | 59.2 | 6.2 | 5.9 | 26.3 | 22.2 | 1.4 | 1.2 | 4.8 | 4.2 |
| Bangchak Corp | BCP TB | BUY | 26.75 | 38 | 42 | 1,122 | n/a | 14.0 | 6.4 | 5.6 | 11.5 | 0.8 | 0.7 | 9.5 | 7.3 |
| Susco | SUSCO TB | BUY | 3.36 | 3.5 | NA | 104 | 17.3 | 12.4 | 10.8 | 8.2 | 8.5 | 1.0 | 0.9 | 16.4 | 13.4 |
| Thailand avg | | | | | | 14,121 | 4.0 | 32.9 | 26.6 | 14.5 | 12.8 | 3.3 | 3.1 | 21.9 | 16.4 |
| Malaysia | | | | | | | | | | | | | | | |
| Petronas Dagangan | PETD MK | NA | 19.80 | NA | NA | 4,812 | 39.8 | 34.8 | 27.6 | 10.0 | 12.6 | 3.6 | 3.5 | 15.1 | 12.7 |
| Malaysia avg | | | | | | 4,812 | 39.8 | 34.8 | 27.6 | 10.0 | 12.6 | 3.6 | 3.5 | 15.1 | 12.7 |
| Average (all) | | | | | | 18,933 | 13.3 | 33.4 | 26.8 | 13.4 | 12.7 | 3.4 | 3.2 | 20.2 | 15.4 |

Share price as of 1 Sep 2021

Sources: Bloomberg; FSSIA estimates

Financial Statements

PTG Energy

| Profit and Loss (THB m) Year Ending Dec | 2019 | 2020 | 2021E | 2022E | 2023E |
|---|---------------|---------------|---------------|---------------|---------------|
| Revenue | 120,183 | 104,590 | 140,086 | 152,180 | 166,767 |
| Cost of goods sold | (107,111) | (90,939) | (125,330) | (136,563) | (149,926) |
| Gross profit | 13,072 | 13,650 | 14,756 | 15,617 | 16,841 |
| Other operating income | - | - | - | - | - |
| Operating costs | (7,907) | (7,820) | (8,916) | (9,721) | (10,667) |
| Operating EBITDA | 5,164 | 5,831 | 5,839 | 5,896 | 6,174 |
| Depreciation | (3,015) | (2,885) | (3,238) | (3,303) | (3,369) |
| Goodwill amortisation | 0 | 0 | 0 | 0 | 0 |
| Operating EBIT | 2,149 | 2,946 | 2,602 | 2,594 | 2,806 |
| Net financing costs | (335) | (1,104) | (340) | (199) | (135) |
| Associates | 40 | 376 | 0 | 0 | 0 |
| Recurring non-operating income | 108 | 452 | 80 | 84 | 88 |
| Non-recurring items | 0 | 0 | 0 | 0 | 0 |
| Profit before tax | 1,923 | 2,294 | 2,341 | 2,479 | 2,759 |
| Tax | (359) | (388) | (408) | (434) | (488) |
| Profit after tax | 1,563 | 1,906 | 1,933 | 2,044 | 2,271 |
| Minority interests | (3) | (12) | 0 | 0 | 0 |
| Preferred dividends | 0 | 0 | 0 | 0 | 0 |
| Other items | - | - | - | - | - |
| Reported net profit | 1,561 | 1,894 | 1,933 | 2,044 | 2,271 |
| Non-recurring items & goodwill (net) | 0 | (37) | (37) | (37) | (37) |
| Recurring net profit | 1,561 | 1,857 | 1,897 | 2,008 | 2,235 |
| Per share (THB) | | | | | |
| Recurring EPS * | 0.93 | 1.11 | 1.14 | 1.20 | 1.34 |
| Reported EPS | 0.93 | 1.13 | 1.16 | 1.22 | 1.36 |
| DPS | 0.00 | 0.00 | 0.15 | 0.20 | 0.20 |
| Diluted shares (used to calculate per share data) | 1,670 | 1,670 | 1,670 | 1,670 | 1,670 |
| Growth | | | | | |
| Revenue (%) | 11.3 | (13.0) | 33.9 | 8.6 | 9.6 |
| Operating EBITDA (%) | 53.8 | 12.9 | 0.1 | 1.0 | 4.7 |
| Operating EBIT (%) | 144.8 | 37.1 | (11.7) | (0.3) | 8.2 |
| Recurring EPS (%) | 149.8 | 19.0 | 2.1 | 5.9 | 11.3 |
| Reported EPS (%) | 149.8 | 21.4 | 2.1 | 5.8 | 11.1 |
| Operating performance | | | | | |
| Gross margin inc. depreciation (%) | 8.4 | 10.3 | 8.2 | 8.1 | 8.1 |
| Gross margin of key business (%) | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Operating EBITDA margin (%) | 4.3 | 5.6 | 4.2 | 3.9 | 3.7 |
| Operating EBIT margin (%) | 1.8 | 2.8 | 1.9 | 1.7 | 1.7 |
| Net margin (%) | 1.3 | 1.8 | 1.4 | 1.3 | 1.3 |
| Effective tax rate (%) | 19.1 | 22.1 | 19.0 | 19.0 | 19.0 |
| Dividend payout on recurring profit (%) | - | - | 13.2 | 16.6 | 14.9 |
| Interest cover (X) | 6.7 | 3.1 | 7.9 | 13.5 | 21.4 |
| Inventory days | 6.8 | 8.6 | 7.2 | 8.0 | 8.0 |
| Debtor days | - | - | - | - | - |
| Creditor days | - | - | - | - | - |
| Operating ROIC (%) | 17.8 | 21.7 | 20.5 | 24.3 | 33.9 |
| ROIC (%) | 10.8 | 9.0 | 5.2 | 5.4 | 6.1 |
| ROE (%) | 25.8 | 25.6 | 22.5 | 21.0 | 20.7 |
| ROA (%) | 8.2 | 8.2 | 5.1 | 5.2 | 5.6 |

* Pre-exceptional, pre-goodwill and fully diluted

| Revenue by Division (THB m) | 2019 | 2020 | 2021E | 2022E | 2023E |
|--|---------|---------|---------|---------|---------|
| Sales of petroleum products and others | 116,535 | 101,970 | 119,659 | 125,642 | 138,206 |
| Sales of consumable products | 2,415 | 1,500 | 1,500 | 1,500 | 1,500 |
| Others | 1,233 | 1,120 | 18,927 | 25,038 | 27,061 |

Sources: PTG Energy; FSSIA estimates

Financial Statements

PTG Energy

| Cash Flow (THB m) Year Ending Dec | 2019 | 2020 | 2021E | 2022E | 2023E |
|---|----------------|----------------|----------------|----------------|----------------|
| Recurring net profit | 1,561 | 1,857 | 1,897 | 2,008 | 2,235 |
| Depreciation | 3,015 | 2,885 | 3,238 | 3,303 | 3,369 |
| Associates & minorities | 69 | 76 | 80 | 84 | 88 |
| Other non-cash items | - | - | - | - | - |
| Change in working capital | (1,354) | (853) | 382 | (88) | (77) |
| Cash flow from operations | 3,291 | 3,965 | 5,596 | 5,306 | 5,615 |
| Capex - maintenance | (873) | (928) | (981) | (1,133) | (1,282) |
| Capex - new investment | - | - | - | - | - |
| Net acquisitions & disposals | - | - | - | - | - |
| Other investments (net) | (2,392) | (810) | (1,047) | (503) | 37 |
| Cash flow from investing | (3,265) | (1,738) | (2,029) | (1,636) | (1,244) |
| Dividends paid | (334) | (835) | (835) | (868) | (1,002) |
| Equity finance | 0 | 0 | 0 | 0 | 0 |
| Debt finance | 1,063 | 1,045 | (3,112) | (2,500) | 0 |
| Other financing cash flows | (725) | (2,534) | (201) | (192) | (191) |
| Cash flow from financing | 4 | (2,324) | (4,149) | (3,561) | (1,193) |
| Non-recurring cash flows | - | - | - | - | - |
| Other adjustments | 0 | 0 | 0 | 0 | 0 |
| Net other adjustments | 0 | 0 | 0 | 0 | 0 |
| Movement in cash | 29 | (97) | (581) | 109 | 3,177 |
| Free cash flow to firm (FCFF) | 360.06 | 3,330.60 | 3,907.96 | 3,868.85 | 4,505.49 |
| Free cash flow to equity (FCFE) | 363.08 | 738.03 | 253.82 | 977.69 | 4,179.18 |
| Per share (THB) | | | | | |
| FCFF per share | 0.22 | 1.99 | 2.34 | 2.32 | 2.70 |
| FCFE per share | 0.22 | 0.44 | 0.15 | 0.59 | 2.50 |
| Recurring cash flow per share | 2.78 | 2.89 | 3.12 | 3.23 | 3.41 |
| Balance Sheet (THB m) Year Ending Dec | 2019 | 2020 | 2021E | 2022E | 2023E |
| Tangible fixed assets (gross) | 17,970 | 17,365 | 19,365 | 21,365 | 23,365 |
| Less: Accumulated depreciation | (6,511) | (6,511) | (9,563) | (13,084) | (17,069) |
| Tangible fixed assets (net) | 11,458 | 10,853 | 9,802 | 8,280 | 6,296 |
| Intangible fixed assets (net) | 214 | 229 | 229 | 229 | 229 |
| Long-term financial assets | - | - | - | - | - |
| Invest. in associates & subsidiaries | 2,570 | 2,195 | 2,195 | 2,195 | 2,195 |
| Cash & equivalents | 1,038 | 942 | 361 | 470 | 3,647 |
| A/C receivable | 0 | 0 | 0 | 0 | 0 |
| Inventories | 2,217 | 2,088 | 2,878 | 3,136 | 3,442 |
| Other current assets | 1,595 | 829 | 1,220 | 1,562 | 1,941 |
| Current assets | 4,850 | 3,859 | 4,458 | 5,167 | 9,030 |
| Other assets | 3,559 | 24,902 | 24,902 | 24,902 | 24,902 |
| Total assets | 22,652 | 42,037 | 41,586 | 40,773 | 42,652 |
| Common equity | 6,648 | 7,884 | 8,982 | 10,158 | 11,427 |
| Minorities etc. | 60 | 96 | 96 | 96 | 96 |
| Total shareholders' equity | 6,707 | 7,980 | 9,078 | 10,254 | 11,524 |
| Long term debt | 3,857 | 6,282 | 3,500 | 4,000 | 4,000 |
| Other long-term liabilities | 474 | 19,289 | 19,289 | 19,289 | 19,289 |
| Long-term liabilities | 4,330 | 25,572 | 22,789 | 23,289 | 23,289 |
| A/C payable | 0 | 0 | 0 | 0 | 0 |
| Short term debt | 5,711 | 4,330 | 4,000 | 1,000 | 1,000 |
| Other current liabilities | 5,904 | 4,156 | 5,718 | 6,230 | 6,839 |
| Current liabilities | 11,614 | 8,486 | 9,718 | 7,230 | 7,839 |
| Total liabilities and shareholders' equity | 22,652 | 42,037 | 41,586 | 40,773 | 42,652 |
| Net working capital | (2,092) | (1,239) | (1,621) | (1,533) | (1,456) |
| Invested capital | 15,710 | 36,940 | 35,507 | 34,073 | 32,166 |
| * Includes convertibles and preferred stock which is being treated as debt | | | | | |
| Per share (THB) | | | | | |
| Book value per share | 3.98 | 4.72 | 5.38 | 6.08 | 6.84 |
| Tangible book value per share | 3.85 | 4.58 | 5.24 | 5.95 | 6.71 |
| Financial strength | | | | | |
| Net debt/equity (%) | 127.2 | 121.2 | 78.6 | 44.2 | 11.7 |
| Net debt/total assets (%) | 37.7 | 23.0 | 17.2 | 11.1 | 3.2 |
| Current ratio (x) | 0.4 | 0.5 | 0.5 | 0.7 | 1.2 |
| CF interest cover (x) | 2.1 | 1.7 | 1.7 | 5.9 | 32.0 |
| Valuation | 2019 | 2020 | 2021E | 2022E | 2023E |
| Recurring P/E (x) * | 19.5 | 16.4 | 16.0 | 15.1 | 13.6 |
| Recurring P/E @ target price (x) * | 22.3 | 18.7 | 18.3 | 17.3 | 15.5 |
| Reported P/E (x) | 19.5 | 16.0 | 15.7 | 14.9 | 13.4 |
| Dividend yield (%) | - | - | 0.8 | 1.1 | 1.1 |
| Price/book (x) | 4.6 | 3.9 | 3.4 | 3.0 | 2.7 |
| Price/tangible book (x) | 4.7 | 4.0 | 3.5 | 3.1 | 2.7 |
| EV/EBITDA (x) ** | 7.5 | 6.9 | 6.4 | 5.9 | 5.2 |
| EV/EBITDA @ target price (x) ** | 8.4 | 7.6 | 7.2 | 6.7 | 5.9 |
| EV/invested capital (x) | 2.5 | 1.1 | 1.1 | 1.0 | 1.0 |
| * Pre-exceptional, pre-goodwill and 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 | MITSIB | 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 | IHL | 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 | AMANAHA | 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)



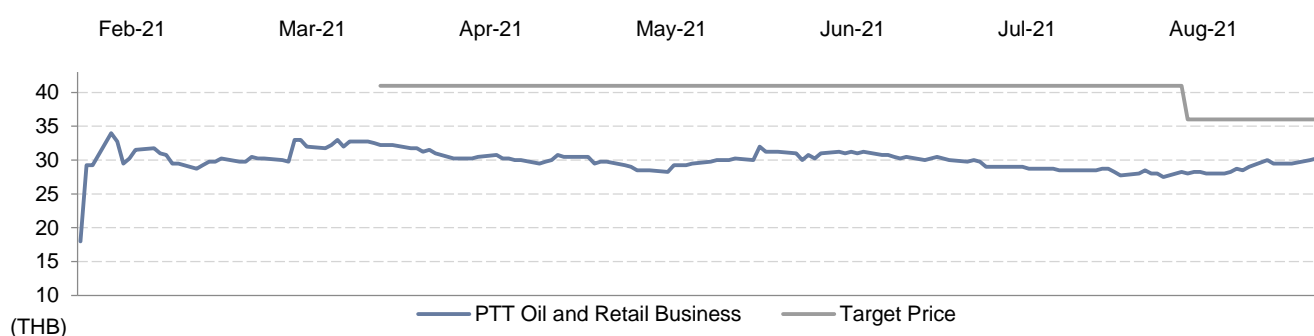
| Date | Rating | Target price | Date | Rating | Target price | Date | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 22-Jul-2020 | BUY | 22.00 | 14-Jan-2021 | BUY | 24.50 | 01-Mar-2021 | BUY | 24.50 |
| 09-Sep-2020 | BUY | 22.00 | 24-Feb-2021 | BUY | 24.50 | 02-Aug-2021 | BUY | 18.80 |

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

Price and TP are in local currency

Source: FSSIA estimates

PTT Oil and Retail Business (OR TB)



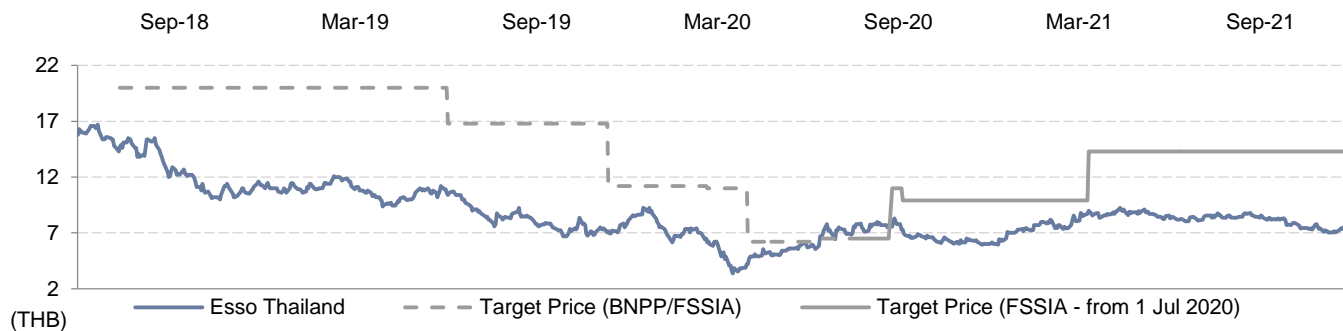
| Date | Rating | Target price | Date | Rating | Target price | Date | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 30-Mar-2021 | BUY | 41.00 | 17-Jun-2021 | BUY | 41.00 | 09-Aug-2021 | BUY | 36.00 |

Suwat Sinsadok started covering this stock from 30-Mar-2021

Price and TP are in local currency

Source: FSSIA estimates

Esso Thailand (ESSO TB)



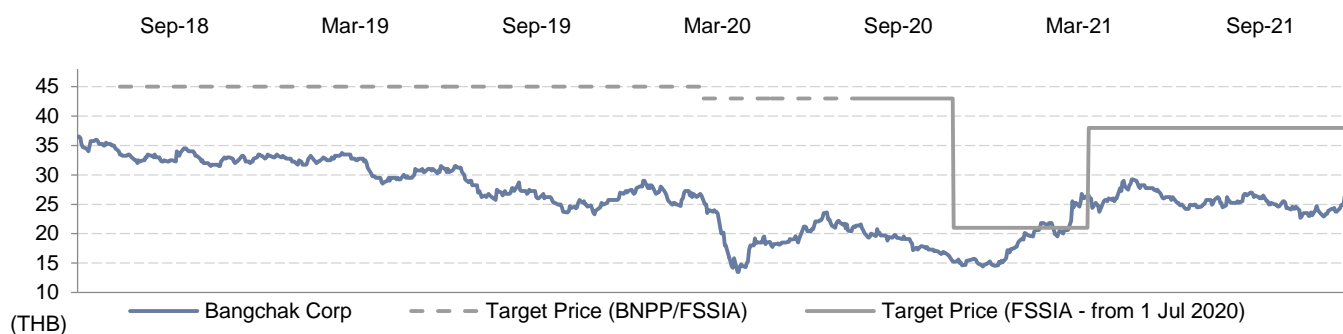
| Date | Rating | Target price | Date | Rating | Target price | Date | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 09-Oct-2018 | BUY | 20.00 | 01-Apr-2020 | BUY | 6.20 | 11-Aug-2020 | BUY | 9.90 |
| 18-Jul-2019 | 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 | 25-Feb-2021 | BUY | 4.00 | 09-Aug-2021 | BUY | 3.50 |

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 18.20 | 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. |
| PTT Oil and Retail Business | OR TB | THB 30.00 | 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 demand. |
| Esso Thailand | ESSO TB | THB 7.80 | 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 26.75 | 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 3.36 | 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 1-Sep-2021 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.