

7 OCTOBER 2021

THAILAND / OIL & GAS

PTG ENERGY **PTG TB**
BUY

UNCHANGED

TARGET PRICE	THB20.80
CLOSE	THB15.80
UP/DOWNSIDE	+31.6%
PRIOR TP	THB20.80
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-4.5%

A retreat before a rebound

Net profit: A retreat in 2H21 before a rebound in 2022

While in 2H21 PTG could face double jeopardies from the tight lockdown in 3Q21 and the government's price cap on biodiesel in Oct 2021, we believe PTG's net profit should rebound to its normal level of THB0.5b-0.6b per quarter. Key drivers, in our view, would be the demand growth post economic reopening, an improving marketing margin (MM) after the end of the government's price cap policy, and a strong B100 margin.

Lockdown leads to weak demand in 3Q21

Due to the tight lockdown in Jul-Aug 2021, Thailand saw a sharp drop in the demand for gasoline, diesel, and LPG during that period after the sharp demand rebound in Feb-Mar 2021 when the Thai government reopened economic activities. Following the lockdown restriction easing and the reopening of Bangkok scheduled in Nov, we project higher demand for PTG's oil stations and non-oil businesses, based on a higher vaccination rate and a decline in the new infection rate.

Price cap could erode earnings by THB63m in 4Q21

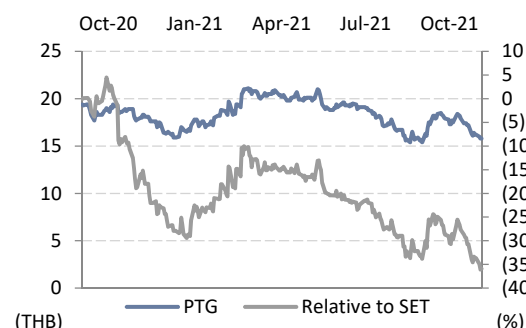
On 4 Oct 2021, the energy minister, Mr. Supattanaphong Punmeechow, head of the Energy Planning and Policy Office (EPPO), announced that the government will reduce the prices of biodiesel B7 and B10, currently used by over 10m vehicles nationwide, via three policies, including 1) cutting the MM for retail oil station operators from THB1.8/litre to THB1.4/litre, effective 5-31 Oct 2021; 2) reducing the oil fund for B7 from THB1/litre to THB0.01/litre, effective 11-31 Oct 2021; and 3) changing the biodiesel mix from the current B10 and B7 to B6 (6% ethanol plus 94% diesel), effective 11-31 Oct 2021. We estimate that PTG should see the highest net loss from the government's subsidy policy for 21 days (11-31 Oct) at an expense of THB63m, accounting for 11% of PTG's quarterly net profit of THB0.5b.

A good play on the upcoming reopening theme

We maintain our BUY call and our SoTP-based target price of THB20.8. We believe PTG's potential near-term share price weakness due to its weak 2H21 net profit outlook should provide a good entry point for investors ahead of its stronger net profit outlook in 2022. Like other oil station operators, PTG should be one of the largest beneficiaries of the economic reopening on the back of higher demand for its oil and non-oil products and its coffee and convenience store businesses.

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 (%)	-	2.4	(1.5)	(6.5)
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)	14.2	13.9	13.1	11.8
Dividend yield (%)	-	0.9	1.3	1.3
EV/EBITDA (x)	6.2	5.8	5.3	4.5
Price/book (x)	3.3	2.9	2.6	2.3
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 (%)	(11.2)	(12.7)	(18.1)
Relative to country (%)	(10.3)	(15.0)	(36.1)
Mkt cap (USD m)	780		
3m avg. daily turnover (USD m)	9.8		
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



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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.

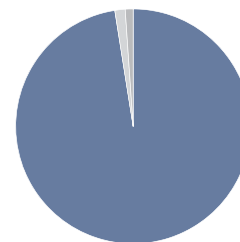
Company profile

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)

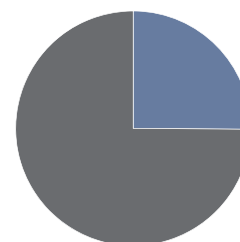
- Sales of petroleum products and others - 97.5 %
- Sales of consumable products - 1.4 %
- Others - 1.1 %



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.

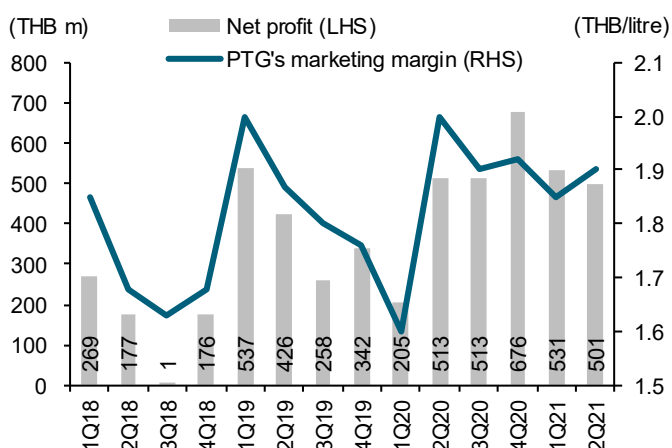
Source: FSSIA estimates

Near-term double jeopardies but still promising growth in 2022

While in 2H21 PTG could face double jeopardies from the tight lockdown in 3Q21 and the government's price cap on biodiesel in Oct 2021, we think that in 2022 onward, PTG's net profit should rebound meaningfully, driven by a demand recovery, the end of the biodiesel price cap, and strong profits from its methyl ester.

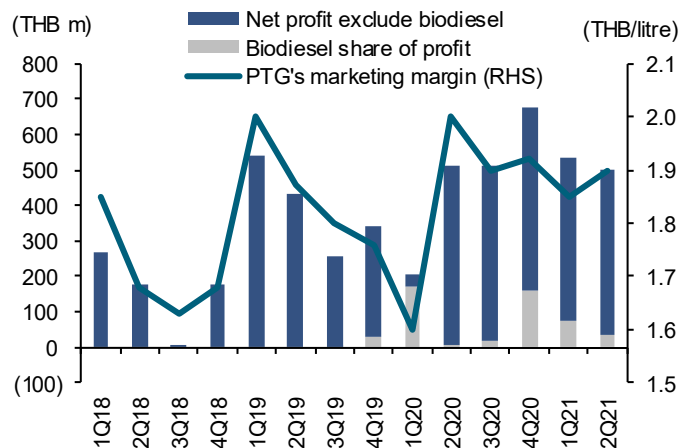
Lockdown leads to weak demand in 3Q21. Due to the tight lockdown in Jul-Aug 2021, Thailand saw a sharp drop in the demand for gasoline, diesel, and LPG during that period after the sharp demand rebound in Feb-Mar 2021 when the Thai government reopened economic activities. Following the lockdown restriction easing and the reopening of Bangkok scheduled in Nov, we project higher demand for PTG's oil stations and non-oil businesses, based on a higher vaccination rate and a decline in the new infection rate.

Exhibit 1: Net profit vs marketing margin



Source: PTG

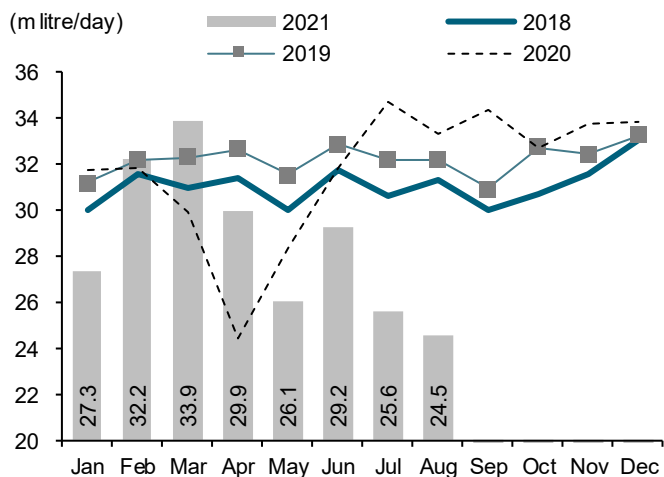
Exhibit 2: Net profit breakdown vs marketing margin



Source: PTG

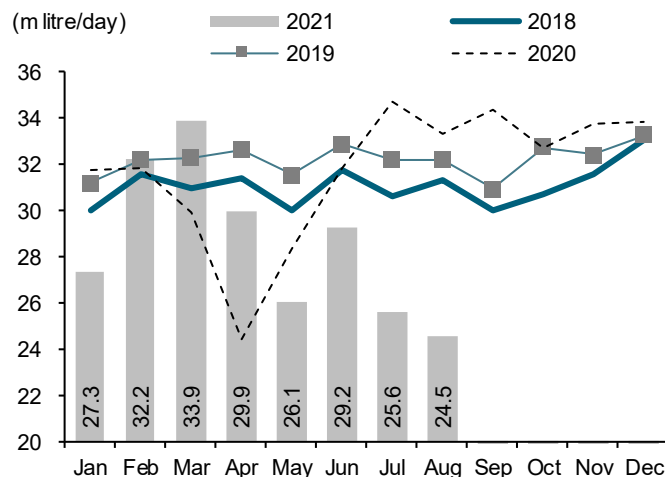
Price cap could erode net profit by THB63m in 4Q21. On 4 Oct 2021, the energy minister, Mr. Supattanaphong Punmeechew, head of the EPPO, announced that the government will reduce the prices of biodiesel B7 and B10, currently used by over 10m vehicles nationwide, via three policies, including 1) cutting the MM for retail oil station operators from THB1.8/litre to THB1.4/litre, effective 5-31 Oct 2021; 2) reducing the oil fund for B7 from THB1/litre to THB0.01/litre, effective 11-31 Oct 2021; and 3) changing the biodiesel mix from the current B10 and B7 to B6 (6% ethanol plus 94% diesel), effective 11-31 Oct 2021.

Exhibit 3: Consumption in Thailand – gasoline



Source: Department of Energy Business, Ministry of Energy (DOEB)

Exhibit 4: Consumption in Thailand – diesel

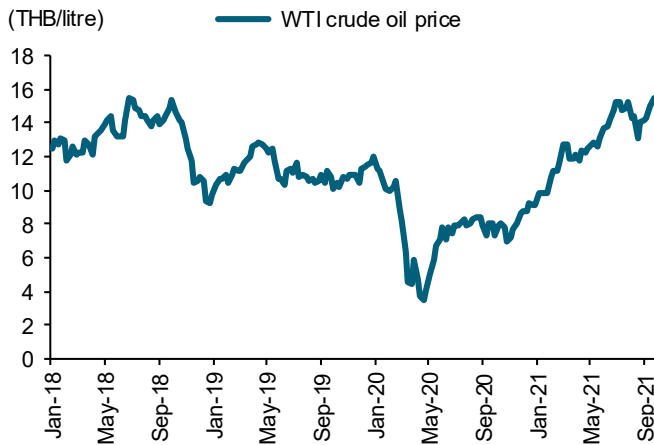


Source: DOEB

According to the announcement, we estimate that PTG should see the highest net loss from the government's subsidy policy for 21 days (11-31 Oct) at an expense of THB63m, accounting for 11% of PTG's quarterly net profit of THB0.5b. For PTG, B7 comprised 46% of its total diesel sales volume in 2020 vs 37.4% in Aug 2021 and 100% in 2018; B10 comprised 22% in 2020 vs 37.4% in Aug 2021 and 0% in 2018.

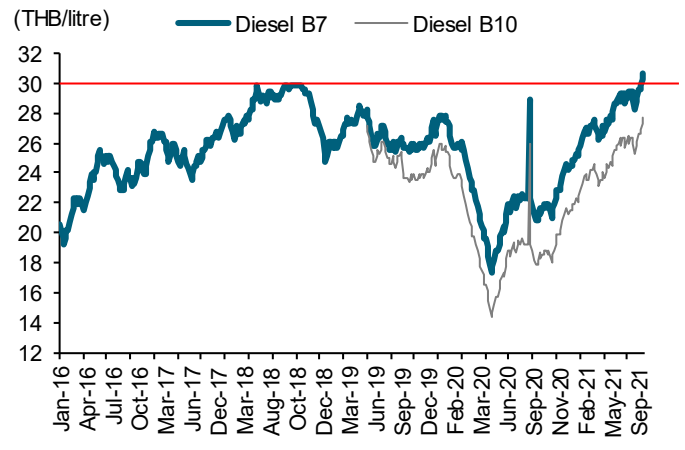
Other companies should feel a more limited pinch from the government's subsidy policy, as they sell more gasoline and premium gasohol products than PTG. Our assumptions include 1) a THB0.2/litre average MM loss; 2) a 21-day subsidy period; and 3) the diesel sales volume will account for 2/3 of Thailand's total sales volume of 6.24b litres as of 2Q21.

Exhibit 5: WTI crude oil price



Source: Bloomberg

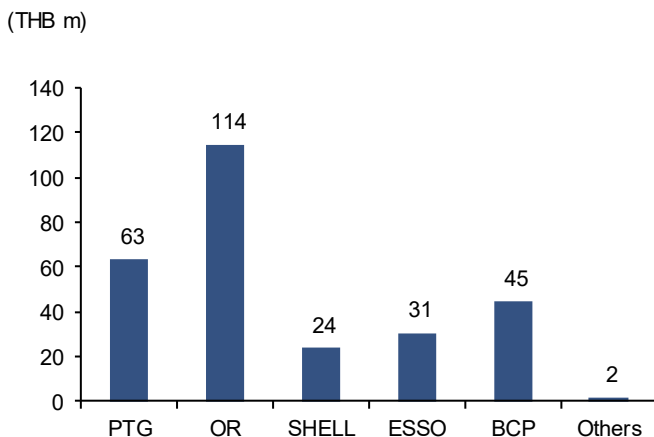
Exhibit 6: Retail price – diesel



Source: PTT

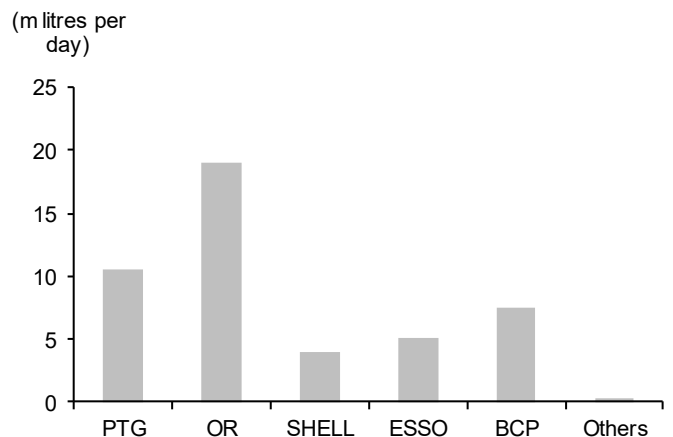
However, we think the downsides could be lower than what we project, as 1) we estimate that in 3Q21 the country's sales volumes could decline by 5-15% q-q for each operator due to the lockdowns in Jul-Aug, and the lockdown easing has just occurred in late Sep-21; 2) there should be a lower cost per unit due to the cost restructuring; and 3) the higher profit contribution from biodiesel since 2019 should help cushion the margin weakness and impact of the price cap.

Exhibit 7: Estimated net loss for THB0.2/litre lower marketing margin for 21 subsidy days



Sources: Companies; FSSIA estimates

Exhibit 8: Estimated net biodiesel sales volume loss for 21 subsidy days

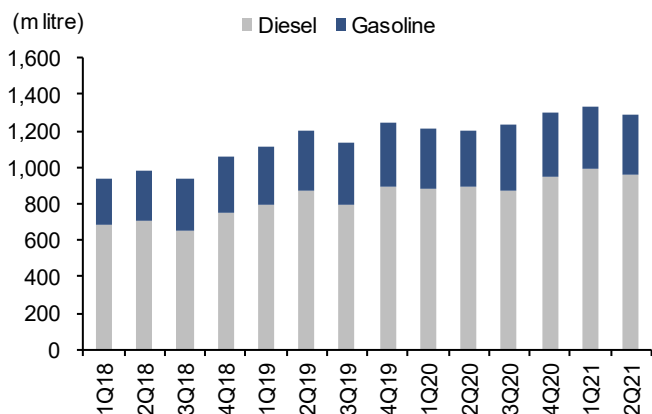


Sources: Companies; FSSIA estimates

A rosier net profit outlook in 2022. We believe after the expected poor net profits in 2H21 due to the lockdown in 3Q21 and the biodiesel price cap in 4Q21, PTG's net profit should rebound to its normal level of THB0.5b-0.6b per quarter. Key drivers, in our view, would be the demand growth post economic reopening, an improving MM after the end of the government's price cap policy, and a strong B100 margin.

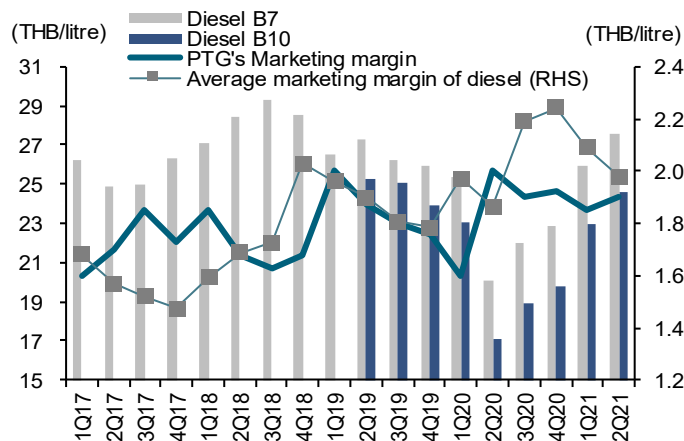
We project that in 2022, PTG's oil sales volume should rebound to 1.3-1.4b litres per quarter, up from 1.1b-1.2b litres per quarter in 2021, thanks to increasing economic activities, fewer restrictions on transportation, and an improving MM to normalcy at THB1.8-2.0/litre.

Exhibit 9: PTG's sales volume breakdown



Source: PTG

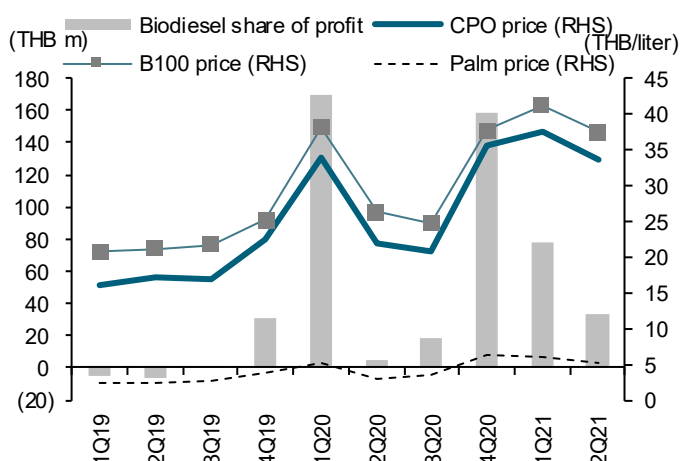
Exhibit 10: Prices of B7 and B10 vs PTG's marketing margin and industry marketing margin for diesel



Source: PTG

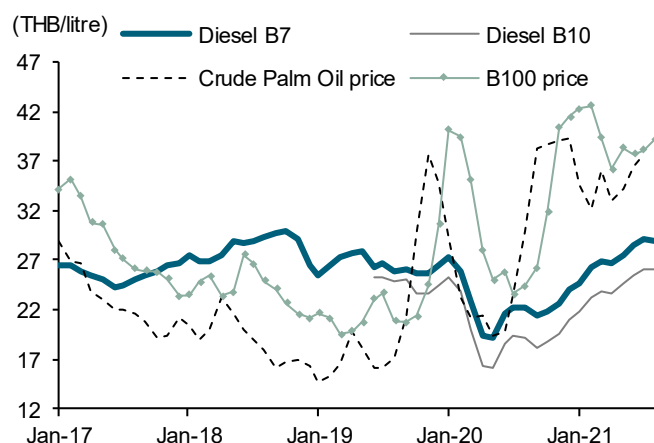
B100 should emerge as a growth driver in 1H22. Thanks to the sharp rise in the price of crude palm oil (CPO), that in turn has resulted in a higher margin of B100 over CPO, we expect PTG's share of profits from its 30%-owned associate that produces B100 to be strong in 2H21-1H22. We estimate that the equity income contribution from B100 could be in the range of THB50m-100m per quarter, timely offsetting the weaker net profits from PTG's oil station business, particularly in 2H21.

Exhibit 11: Biodiesel share of profits vs CPO price vs B100 price vs palm price



Sources: PTG; BCP

Exhibit 12: Crude palm oil price vs B100 price vs diesel price - B7 & B10



Sources: EPPO; BCP

Maintain BUY

We maintain our BUY call and our SoTP-based target price of THB20.8. We believe PTG's potential near-term share price weakness due to its weak 2H21 net profit outlook should provide a good entry point for investors ahead of its stronger net profit outlook in 2022. Like other oil station operators, PTG should be one of the largest beneficiaries of the economic reopening on the back of higher demand for its oil and non-oil products and its coffee and convenience store businesses.

Exhibit 13: 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 14: Peer comparisons

Company	BBG code	Rec	Share Price (LCY)	Target price (LCY)	Upside (%)	Market Cap (USD m)	3Y EPS CAGR (%)	PE		ROE		PBV		EV / EBITDA	
								21E (x)	22E (x)	21E (%)	22E (%)	21E (x)	22E (x)	21E (x)	22E (x)
Thailand															
PTT Oil and Retail	OR TB	BUY	28.00	36	29	9,929	1.6	35.9	29.2	13.9	11.5	3.5	3.3	24.0	17.7
PTG Energy	PTG TB	BUY	15.80	20.8	32	780	6.4	13.9	13.1	22.5	21.0	2.9	2.6	5.8	5.3
Esso Thailand	ESSO TB	HOLD	8.20	8.9	9	839	67.8	6.4	5.6	26.8	24.5	1.5	1.2	6.1	5.0
Bangchak Corp	BCP TB	BUY	28.25	38	35	1,133	nm	14.8	6.8	5.6	11.5	0.8	0.8	9.7	7.4
Susco	SUSCO TB	BUY	3.20	3.5	NA	95	17.3	11.8	10.3	8.2	8.5	0.9	0.8	15.6	12.7
Thailand avg						12,775	4.7	30.6	24.5	14.5	12.9	3.1	2.9	20.4	15.2
Malaysia															
Petronas Dagangan	PETD MK	NA	19.70	NA	NA	4,651	40.5	33.9	26.9	10.0	12.6	3.5	3.4	14.6	12.3
Malaysia avg						4,651	40.5	33.9	26.9	10.0	12.6	3.5	3.4	14.6	12.3
Average (all)						17,426	14.3	31.4	25.2	13.3	12.9	3.2	3.0	18.8	14.4

Share prices as of 6 Oct 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)					
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) *	16.9	14.2	13.9	13.1	11.8
Recurring P/E @ target price (x) *	22.3	18.7	18.3	17.3	15.5
Reported P/E (x)	16.9	13.9	13.6	12.9	11.6
Dividend yield (%)	-	-	0.9	1.3	1.3
Price/book (x)	4.0	3.3	2.9	2.6	2.3
Price/tangible book (x)	4.1	3.4	3.0	2.7	2.4
EV/EBITDA (x) **	6.8	6.2	5.8	5.3	4.5
EV/EBITDA @ target price (x) **	8.4	7.6	7.2	6.7	5.9
EV/invested capital (x)	2.2	1.0	0.9	0.9	0.9

* 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	ICI	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	PAP	PCSGH	PDJ	PG	PHOL	PLANB
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	TTB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TRC	TSC	TSR	TSTE	TSTH
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	WIJK	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	SEAOIL	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	TTB	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

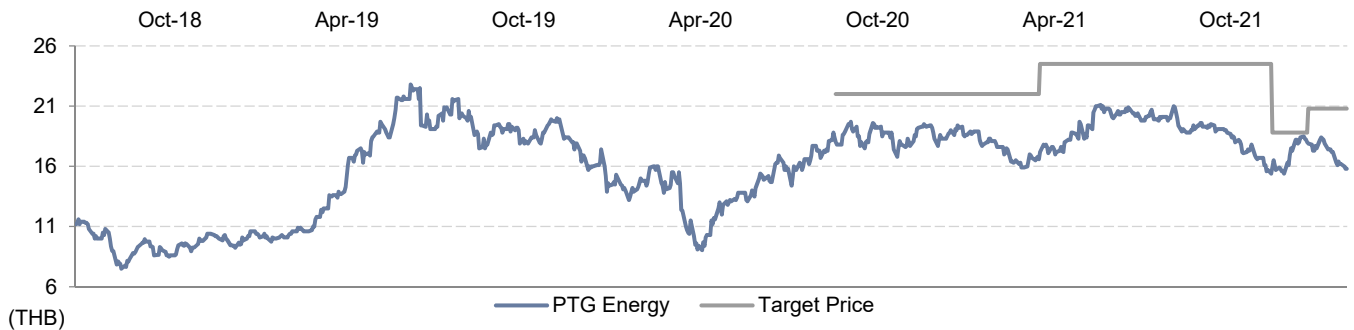
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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History of change in investment rating and/or target price

PTG Energy (PTG TB)



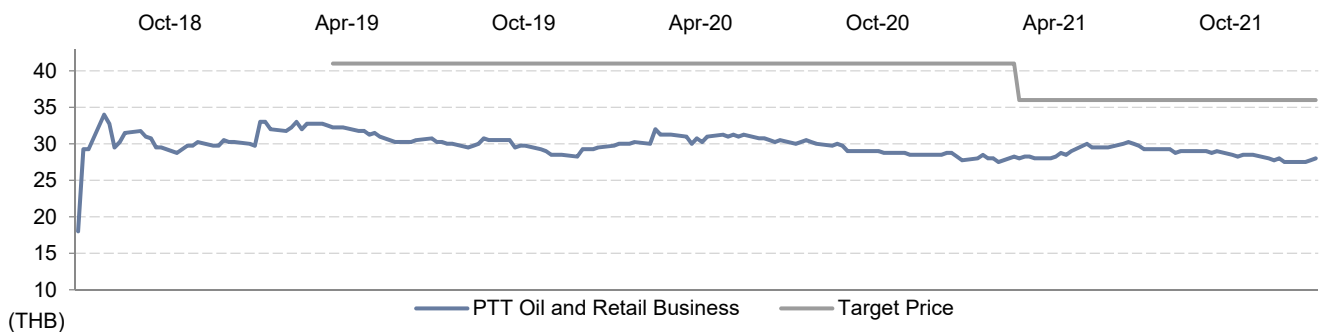
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
22-Jul-2020	BUY	22.00	24-Feb-2021	BUY	24.50	02-Sep-2021	BUY	20.80
09-Sep-2020	BUY	22.00	01-Mar-2021	BUY	24.50			
14-Jan-2021	BUY	24.50	02-Aug-2021	BUY	18.80			

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)



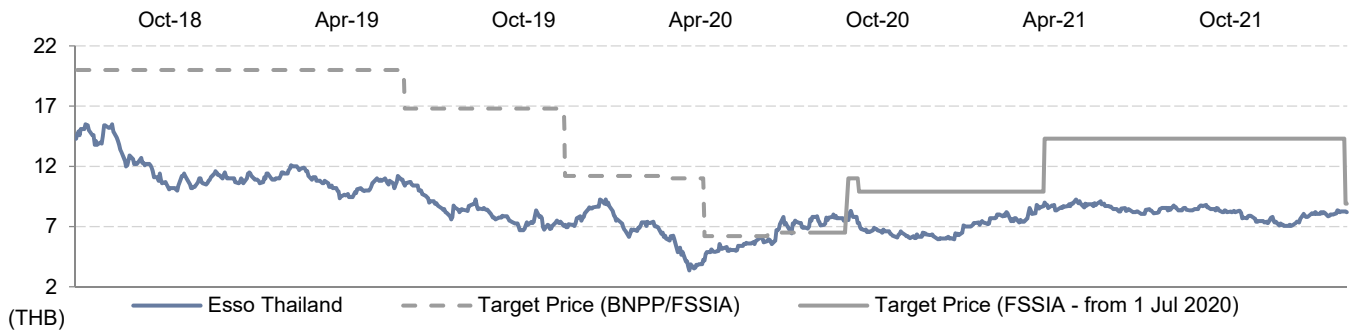
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
30-Mar-2021	BUY	41.00	17-Jun-2021	BUY	41.00	09-Aug-2021	BUY	36.00

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

Price and TP are in local currency

Source: FSSIA estimates

Esso Thailand (ESSO TB)



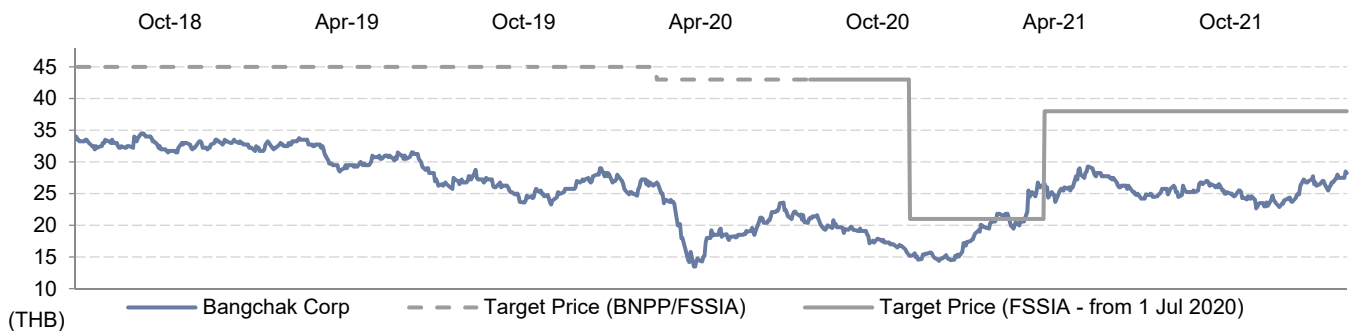
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
09-Oct-2018	BUY	20.00	26-May-2020	BUY	6.50	22-Feb-2021	BUY	14.30
18-Jul-2019	BUY	16.80	26-May-2020	BUY	6.50	24-Feb-2021	BUY	14.30
03-Dec-2019	BUY	11.20	31-Jul-2020	BUY	11.00	04-Oct-2021	HOLD	8.90
26-Feb-2020	BUY	11.00	11-Aug-2020	BUY	9.90			
01-Apr-2020	BUY	6.20	18-Jan-2021	BUY	14.30			

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

Price and TP are in local currency

Source: FSSIA estimates

Bangchak Corp (BCP TB)



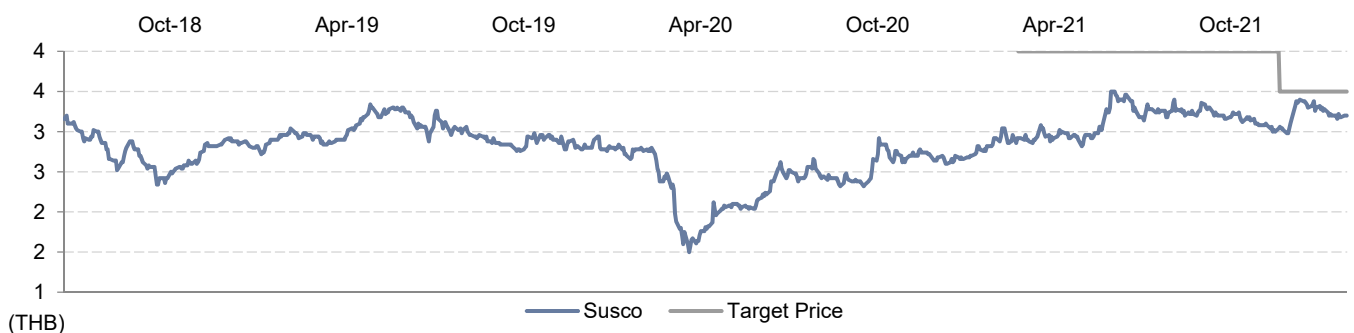
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
09-Oct-2018	BUY	45.00	20-Feb-2020	BUY	43.00	18-Jan-2021	BUY	38.00
08-Nov-2019	BUY	45.00	24-Sep-2020	BUY	21.00			

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 15.80	BUY	The downside risks to our SoTP-based TP include 1) a government cap on oil prices; and 2) weaker demand for diesel and gasoline.
PTT Oil and Retail Business	OR TB	THB 28.00	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 8.20	HOLD	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. The upside risks include 1) higher-than-expected demand for petroleum products; and 2) a lower crude premium.
Bangchak Corp	BCP TB	THB 28.25	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 3.20	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 06-Oct-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.