

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% |

ย่อตัวก่อนดีดกลับ

กำไรสุทธิ: ย่อตัวในช่วง 2H21 ก่อนดีดกลับในปี 2022

ในขณะที่ PTG อาจประสบปัญหายุ่งยากซ้ำซ้อนใน 2H21 จากมาตรการปิดเมืองใน 3Q21 และการกำหนดเพดานราคาไบโอดีเซลของรัฐบาลในเดือน ต.ค. 2021 เราเชื่อว่ากำไรสุทธิของ PTG น่าจะพลิกฟื้นสู่ระดับปกติที่ 0.5-0.6 พัน ลบ. ต่อไตรมาส ในความเห็นของเราปัจจัยหลักที่สนับสนุนการเติบโตของความต้องการหลังการเปิดเศรษฐกิจ ค่าการตลาด (MM) ที่ดีขึ้นหลังนโยบายเพดานราคาของรัฐบาลสิ้นสุด และอัตรากำไร B100 ที่อยู่ในระดับสูง

มาตรการปิดเมืองทำให้ความต้องการตกต่ำใน 3Q21

จากมาตรการปิดเมืองในเดือน ก.ค. - ส.ค. 2021 ความต้องการเบนซิน ดีเซล และ LPG ในประเทศไทยลดลงอย่างรุนแรงในช่วงดังกล่าวหลังฟื้นตัวในระดับสูงในช่วง ก.พ. - มี.ค. 2021 เมื่อรัฐบาลกลับมาเปิดกิจกรรมทางเศรษฐกิจ หลังการผ่อนคลายมาตรการปิดเมืองและการกลับมาเปิดกรุงเทปที่มีกำหนดในเดือน พ.ย. เราคาดว่าธุรกิจสถานีบริการน้ำมันและธุรกิจที่ไม่เกี่ยวข้องกับน้ำมันของ PTG จะมีความต้องการเพิ่มขึ้นจากอัตราการฉีดวัคซีนที่สูงขึ้นและอัตราการติดเชื้อใหม่ที่ลดลง

เพดานราคาบิโอดีเซลกำหนดไว้ที่ 63 ลบ. ใน 4Q21

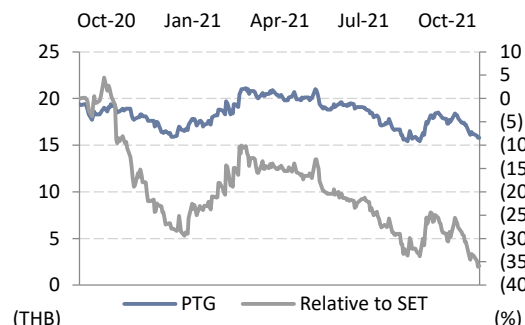
เมื่อวันที่ 4 ต.ค. 21 รว. พลังงานนายสุพัฒนพงษ์ พันธ์มีเชาว์ ในฐานะประธานคณะกรรมการบริหารนโยบายพลังงาน (EPPO) ได้ประกาศว่ารัฐบาลจะลดราคาน้ำมันไบโอดีเซล B7 และ B10 ซึ่งรถยนต์กว่า 10 ล้านคันทั่วประเทศใช้อยู่ในปัจจุบันผ่าน 3 นโยบาย ประกอบด้วย 1) การปรับลดค่าการตลาด (MM) สำหรับผู้ประกอบการสถานีบริการน้ำมันจาก 1.8 บาท/ลิตรเป็น 1.4 บาท/ลิตร โดยให้มีผลระหว่างวันที่ 5-31 ต.ค. 21; 2) การลดเงินกองทุนน้ำมันสำหรับ B7 จาก 1 บาท/ลิตรเป็น 0.01 บาท/ลิตร โดยให้มีผลระหว่างวันที่ 11-31 ต.ค. 21; และ 3) การเปลี่ยนสูตรไบโอดีเซลจาก B10 และ B7 ในปัจจุบันเป็น B6 (6% เอทานอลรวมกับ 94% ดีเซล) โดยให้มีผลระหว่าง 11-31 ต.ค. 21 เราคาดว่า PTG น่าจะขาดทุนสุทธิสูงสุดจากนโยบายให้เงินอุดหนุนของรัฐบาลเป็นระยะเวลา 21 วัน (จาก 11-31 ต.ค.) โดยอยู่ที่ 63 ลบ. คิดเป็น 11% ของกำไรสุทธิรายไตรมาสของ PTG ที่ 0.5 พัน ลบ.

หุ้นที่ดีสำหรับประเด็นเปิดเมืองที่กำลังจะเกิดขึ้น

เราลงคำแนะนำซื้อที่ราคาเป้าหมาย 20.8 บาท (SoTP) เราเชื่อว่าโอกาสที่ราคาของ PTG จะอ่อนตัวในระยะสั้นจากแนวโน้มกำไรสุทธิที่อ่อนแอในช่วง 2H21 น่าจะเป็นโอกาสที่ดีให้นักลงทุนเข้าสะสมหุ้นก่อนแนวโน้มกำไรสุทธิที่ดีขึ้นในปี 2022 เช่นเดียวกับผู้ประกอบการสถานีบริการน้ำมันรายอื่น PTG น่าจะเป็นหนึ่งในผู้ได้รับประโยชน์สูงสุดจากการกลับมาเปิดเศรษฐกิจจากความต้องการที่สูงขึ้นสำหรับผลิตภัณฑ์ทั้งที่เป็นน้ำมันและที่ไม่ใช่น้ำมัน รวมถึงกาแฟและธุรกิจร้านสะดวกซื้อของบริษัทฯ

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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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 7 ตุลาคม 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.

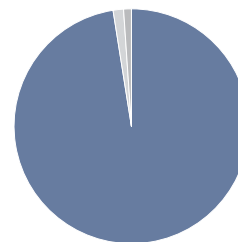
Company profile

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.ptgenery.co.th

Principal activities (revenue, 2020)

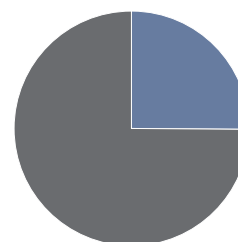
- Sales of petroleum products and others - 97.5 %
- Sales of consumable products - 1.4 %
- Others - 1.1 %



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.

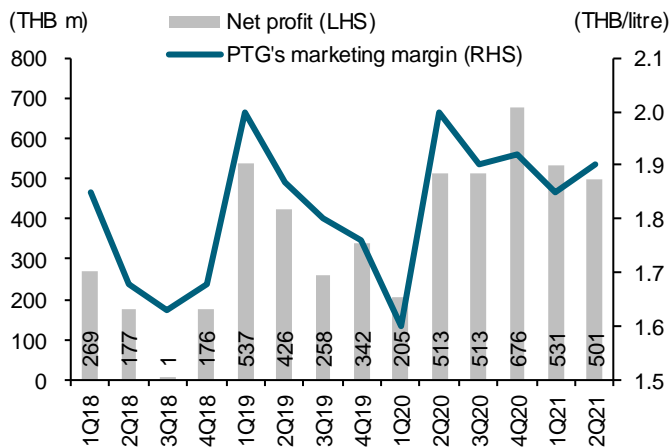
Source: FSSIA estimates

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.

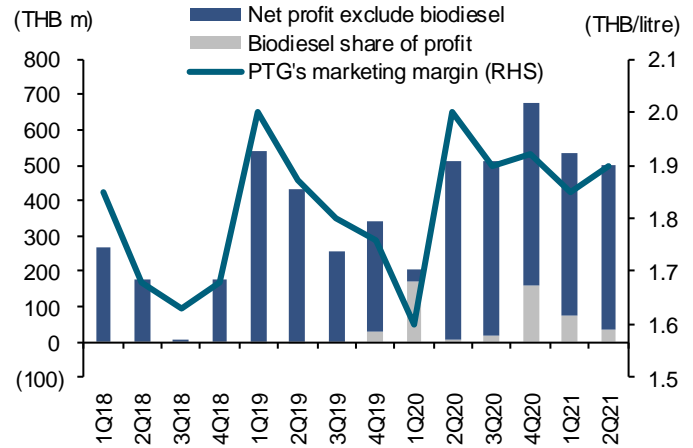
Lockdown leads to weak demand in 3Q21. Due to the tight lockdown in Jul-Aug 2021, Thailand saw a sharp drop in the demand for gasoline, diesel, and LPG during that period after the sharp demand rebound in Feb-Mar 2021 when the Thai government reopened economic activities. Following the lockdown restriction 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

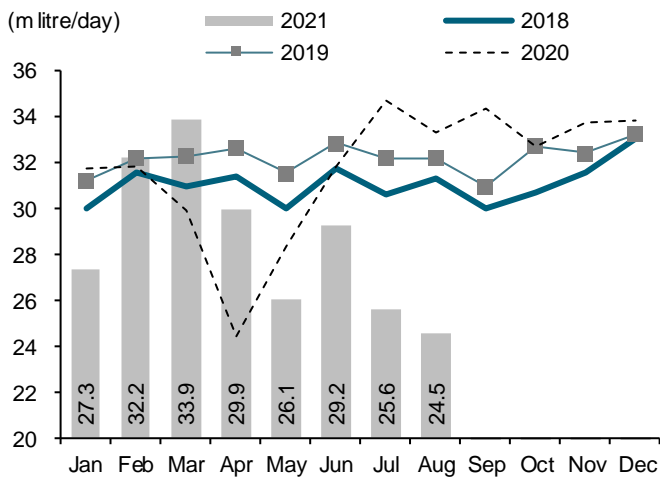
Exhibit 2: Net profit breakdown vs marketing margin



Source: PTG

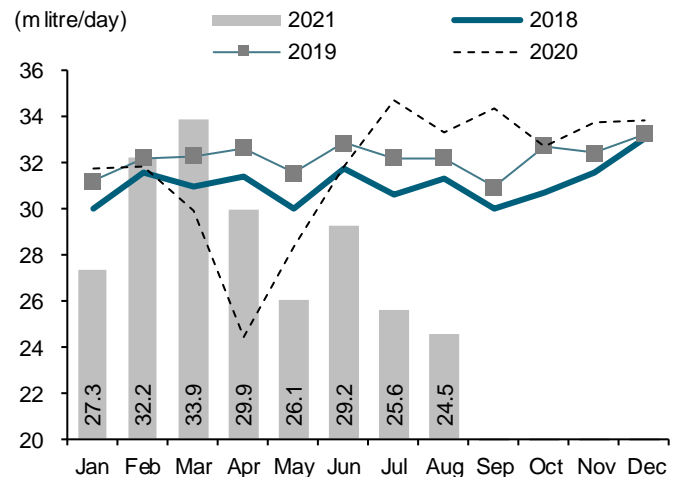
Price cap could erode net profit by THB63m in 4Q21. On 4 Oct 2021, the energy minister, Mr. Supattanaphong Punmeechaw, head of the EPPO, announced that the government will reduce the prices of biodiesel B7 and B10, currently used by over 10m vehicles nationwide, via three policies, including 1) cutting 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

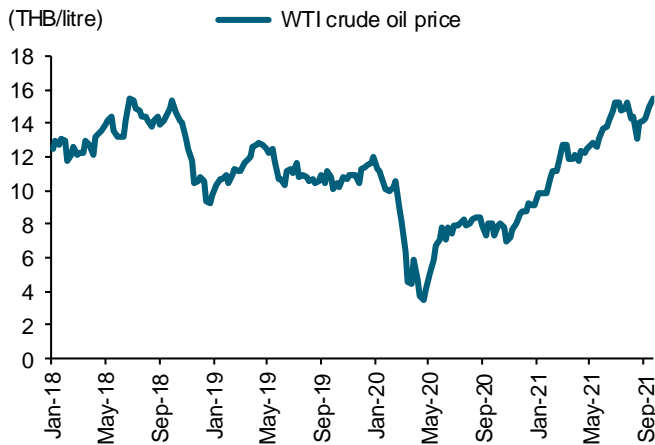


Source: DOEB

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.

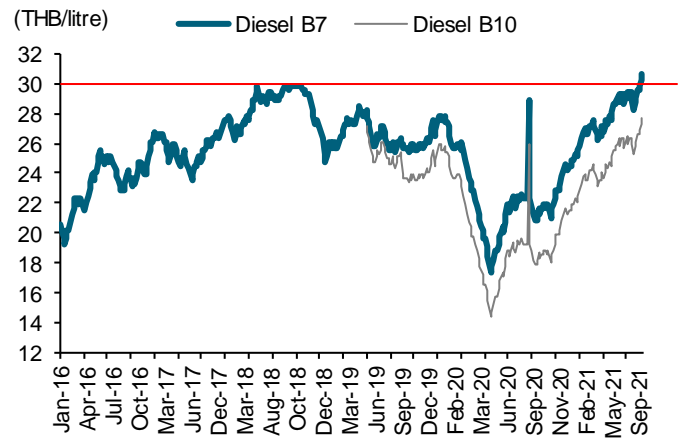
Other companies should feel a more limited pinch from the government's subsidy policy, as they sell more gasoline and premium gasohol products than PTG. Our assumptions include 1) a THB0.2/litre average MM loss; 2) a 21-day subsidy period; and 3) the diesel sales volume will account for 2/3 of Thailand's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

Exhibit 5: WTI crude oil price



Source: Bloomberg

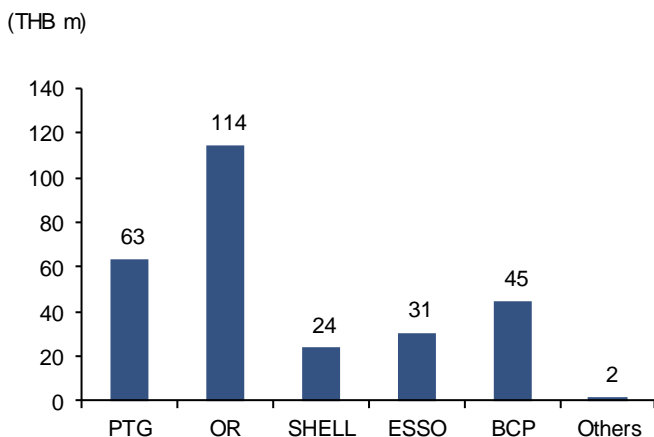
Exhibit 6: Retail price – diesel



Source: PTT

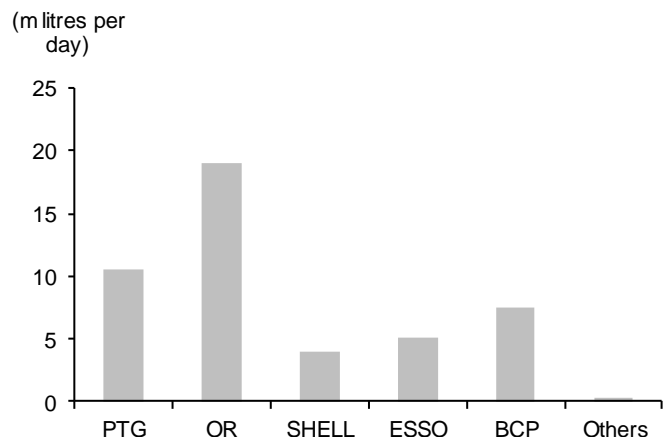
However, we think the downsides could be lower than what we project, as 1) we estimate that in 3Q21 the country's sales volumes could decline by 5-15% q-q for each operator due to the lockdowns in Jul-Aug, and the lockdown easing has just occurred in late Sep-21; 2) there should be a lower cost per unit 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



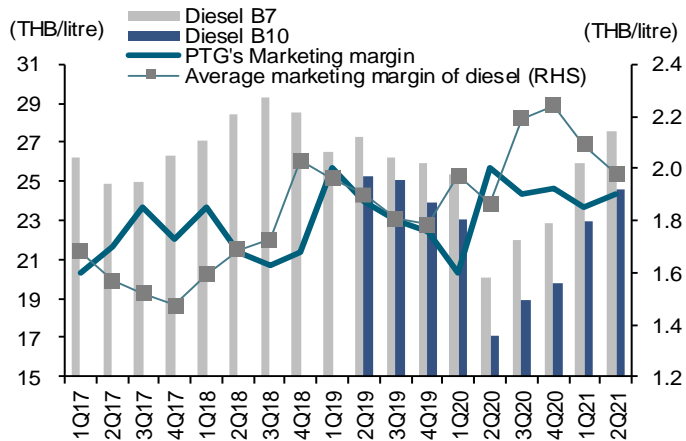
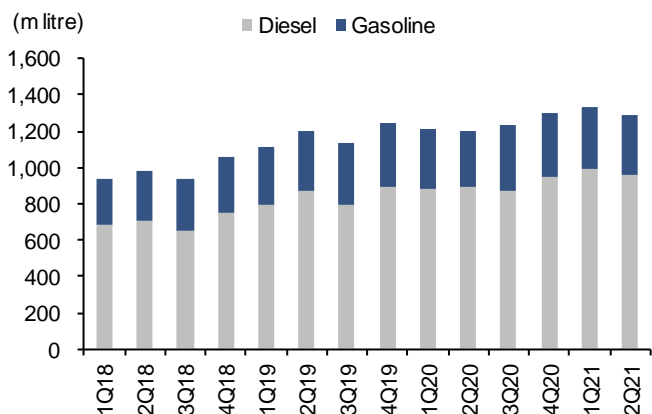
Sources: Companies; FSSIA estimates

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

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



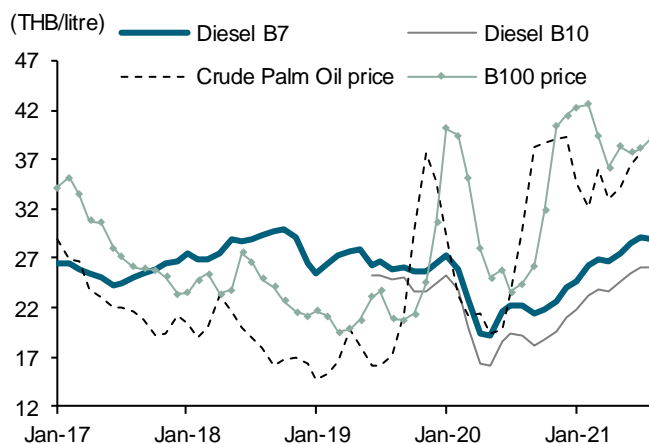
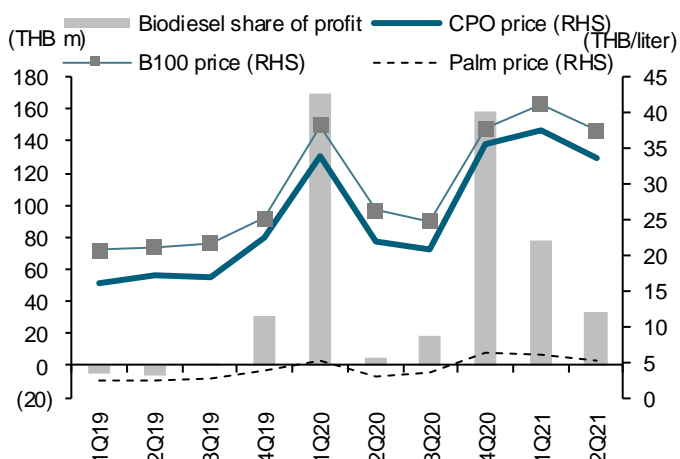
Source: PTG

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

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



Sources: PTG; BCP

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 | 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 | 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 | 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 | SEAOIL | 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 | 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 | 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

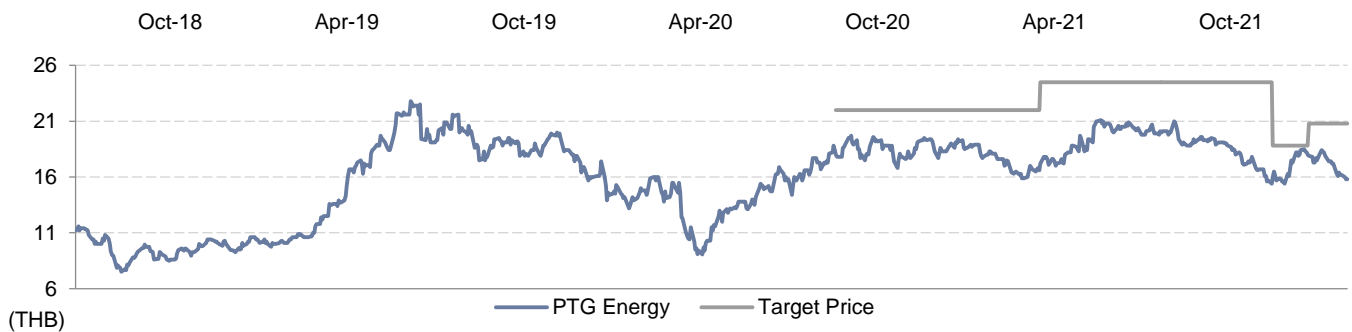
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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History of change in investment rating and/or target price

PTG Energy (PTG TB)



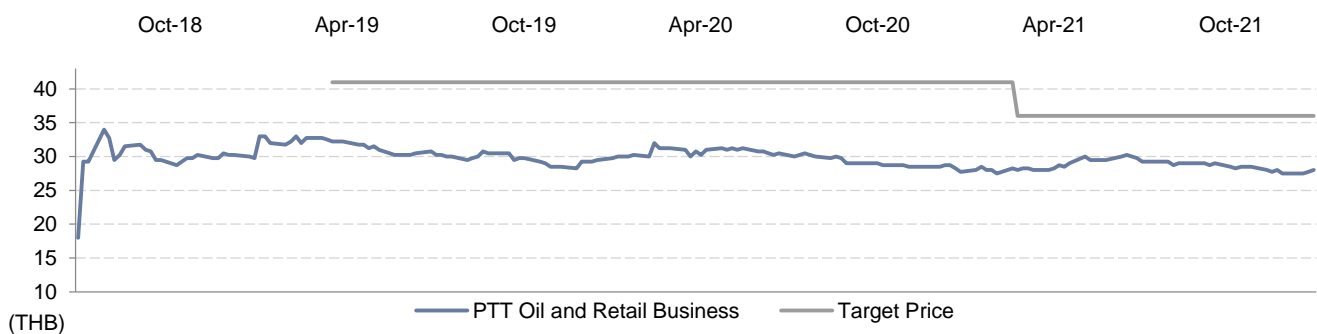
| Date | Rating | Target price | Date | Rating | Target price | Date | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 22-Jul-2020 | BUY | 22.00 | 24-Feb-2021 | BUY | 24.50 | 02-Sep-2021 | BUY | 20.80 |
| 09-Sep-2020 | 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)



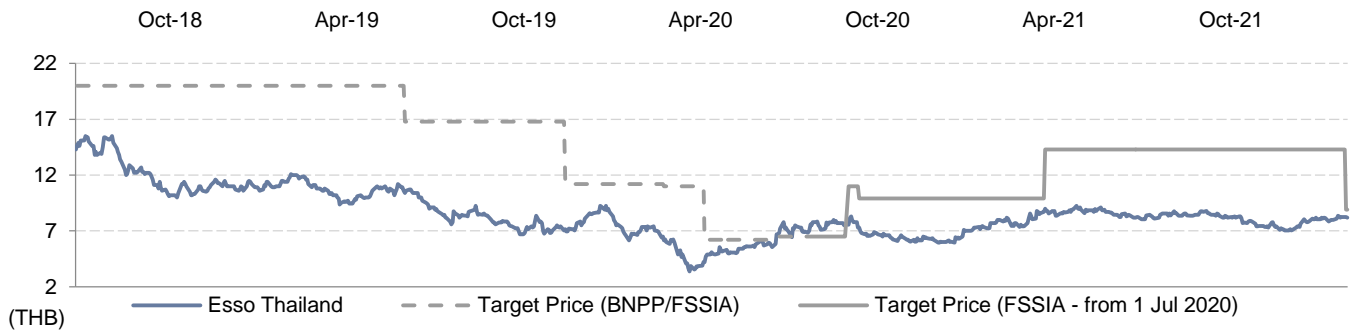
| Date | Rating | Target price | Date | Rating | Target price | Date | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 30-Mar-2021 | BUY | 41.00 | 17-Jun-2021 | BUY | 41.00 | 09-Aug-2021 | BUY | 36.00 |

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

Price and TP are in local currency

Source: FSSIA estimates

Esso Thailand (ESSO TB)



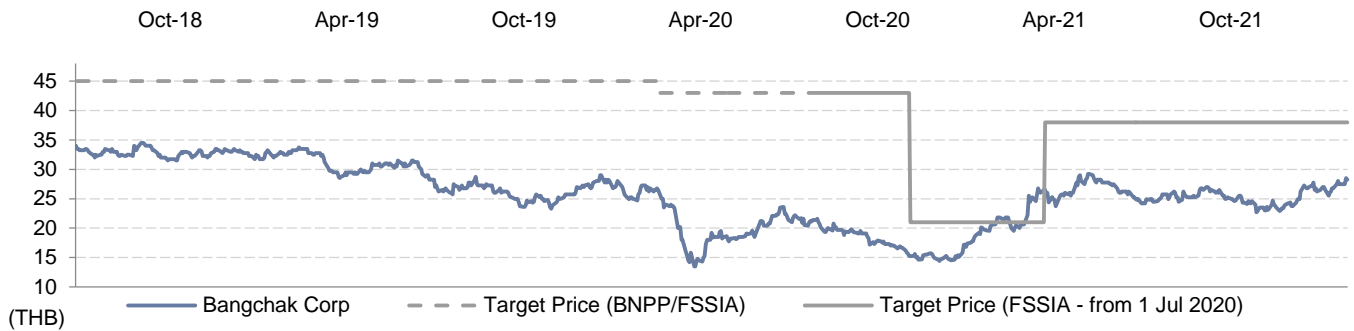
| Date | Rating | Target price | Date | Rating | Target price | Date | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 09-Oct-2018 | BUY | 20.00 | 26-May-2020 | BUY | 6.50 | 22-Feb-2021 | BUY | 14.30 |
| 18-Jul-2019 | 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)



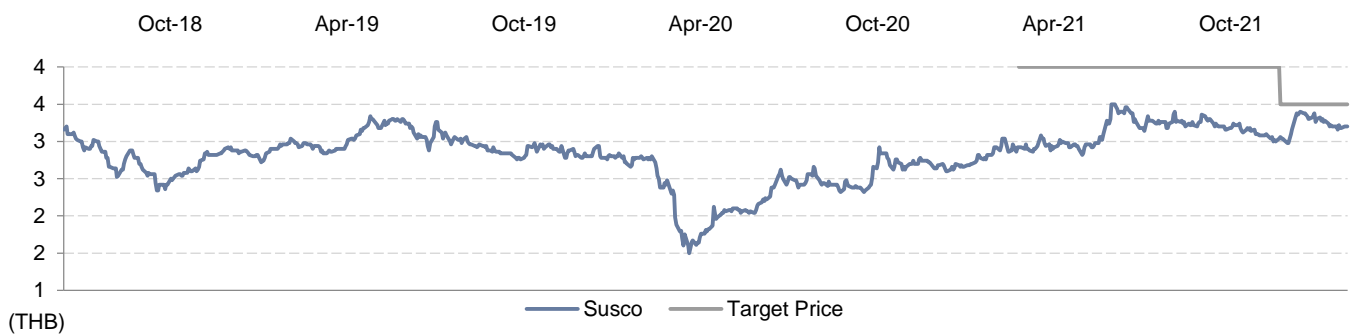
| Date | Rating | Target price | Date | Rating | Target price | Date | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 09-Oct-2018 | BUY | 45.00 | 20-Feb-2020 | BUY | 43.00 | 18-Jan-2021 | BUY | 38.00 |
| 08-Nov-2019 | 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 $(\text{target price}^* - \text{current price}) / \text{current price}$.

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.