

11 OCTOBER 2021

THAILAND / OIL & GAS

STAR PETROLEUM REFINING

SPRC TB

BUY

UNCHANGED

TARGET PRICE	THB13.50
CLOSE	THB10.60
UP/DOWNSIDE	+27.4%
PRIOR TP	THB11.00
CHANGE IN TP	+22.7%
TP vs CONSENSUS	+30.6%

เกาะกระแสการเติบโตของค่าการกลั่น

กำไรสุทธิ 3Q21 ที่อ่อนแอที่ 691 ลบ. น่าจะเป็นไตรมาสที่ตกต่ำที่สุด

ใน 3Q21 เราคาดว่า SPRC จะรายงานกำไรสุทธิลดลง q-q มาอยู่ที่ 691 ลบ. (-11% q-q, +158% y-y) เราคาดว่ากำไรสุทธิจากการดำเนินงานจะลดลงจนกลายเป็นขาดทุนสุทธิ 84 ลบ. จากที่เคยกำไร 228 ลบ. ใน 2Q21 แต่เพิ่มจากที่เคยขาดทุนสุทธิ 291 ลบ. ใน 3Q20 โดยมีสมมติฐานสำคัญประกอบด้วย 1) ค่าการกลั่น (GRM) ในตลาดที่ลดลง q-q เป็น USD2.48/bbl จาก USD2.65/bbl ใน 2Q21 จาก Crude Premium ที่สูงขึ้นหลังหักกลับไปบางส่วนจาก Product Margin ที่สูงขึ้น; 2) อัตราการใช้กำลังการผลิตที่ลดลงเหลือ 75% จาก 77% ใน 2Q21 ส่วนมากจากการปิด Residual Catalytic Cracking Unit ตามแผนเป็นระยะเวลา 15 วันโดยเริ่มจากวันที่ 27 ก.ย. 21; 3) กำไรจากสินค้าคงคลังที่ลดลง q-q เป็น USD25 ล้าน (0.8 พัน ลบ.) หรือ USD2/bbl; และ 4) ผลขาดทุนจากอัตราแลกเปลี่ยนที่ USD5 ล้าน

ค่าการกลั่น 4Q21 จะอยู่ในระดับสูงถึงกว่า 2 พัน ลบ.

เริ่มตั้งแต่ 4Q21 เราคาดว่ากำไรสุทธิรายไตรมาสของ SPRC จะพลิกฟื้นอย่างเห็นได้ชัดจากปัจจัย 3 ประการ ข้อแรกเราคาดว่า Market GRM จะสูงขึ้น q-q และ y-y เป็นกว่า USD4/bbl จากอัตรากำไรของดีเซลและ Jet-Dubai ที่สูงขึ้น 2x q-q และ Gasoline-Dubai Margin ที่ดีขึ้น USD2-3/bbl q-q จากความต้องการที่สูงขึ้นหลังการกลับมาเปิดเศรษฐกิจทั่วโลกและผลกระทบจากการเป็นเชื้อเพลิงทดแทนหลังราคาถ่านหินและก๊าซปรับตัวสูงขึ้น ข้อที่สองเราคาดว่าอัตราการใช้กำลังการผลิตจะปรับขึ้น q-q เป็น 78-83% หรือกว่า 135kbpd จากความต้องการที่คาดว่าจะฟื้นตัวทั้งตลาดในประเทศและส่งออกและ Jet-Dubai Margin ที่ปรับตัวขึ้นอย่างมีนัยสำคัญซึ่งทำให้ SPRC และโรงกลั่นอื่นสามารถเพิ่มอัตราการใช้กำลังการผลิตขึ้นสู่ระดับที่ได้กำไรสูงสุดที่กว่า 80% ข้อที่สามเราคาดว่าบริษัท จะรายงานกำไรจากสินค้าคงคลังจำนวน 0.5-1.0 พัน ลบ. ใน 4Q21 จากราคาน้ำมันดิบที่กำลังเพิ่มสูงขึ้น

แนวโน้ม GRM ขาขึ้นเป็นกว่า USD4/bbl น่าจะเกิดต่อเนื่องไปในปี 2022

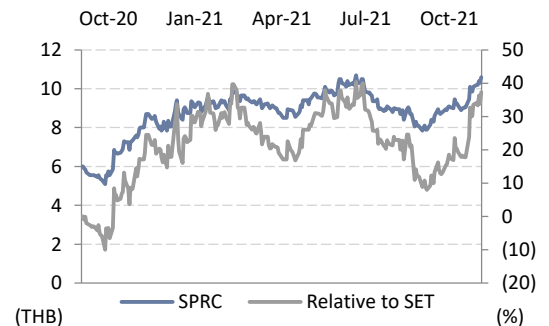
เราเชื่อว่า Market GRM ของ SPRC น่าจะยังอยู่ในระดับสูงที่กว่า USD4/bbl ในปี 2022 จากความต้องการที่คาดว่าจะปรับตัวสูงขึ้นจากการกลับมาเปิดเศรษฐกิจทั่วโลก ซึ่งน่าจะช่วยเพิ่มกิจกรรมการขนส่ง นอกจากนี้ราคาถ่านหินและก๊าซที่อยู่ในระดับสูงน่าจะช่วยรักษาอัตรากำไรของบริษัทไว้ได้ เราคาดว่าราคาปรับตัวขึ้นจะอยู่ต่อเนื่องไปในปี 2022 จากสถานะอุปทานต่ำกว่าดุลย์ที่เกิดขึ้นตามโครงสร้างตลาดและความต้องการที่อยู่ในระดับสูงในช่วงฤดูหนาวที่กำลังจะมาถึง ซึ่งเราคิดว่าจะยาวไปถึง 2Q22

หุ้นโรงกลั่นที่น่าสนใจสำหรับเกาะกระแส GRM ที่สูงขึ้น

เราคงคำแนะนำซื้อหลังปรับเพิ่มราคาเป้าหมายจาก B1B11 (7.6x ของค่า 2021E EV/EBITDA) เป็น 13.5 บาท (7.8x ของค่า 2021E EV/EBITDA) เพื่อสะท้อนมุมมองที่เป็นบวกมากขึ้นสำหรับแนวโน้ม GRM ของ SPRC ซึ่งทำให้เราปรับเพิ่มประมาณการกำไรต่อหุ้นอีก 18% ในปี 2021

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	130,163	155,948	183,906	185,774
Net profit	(6,004)	5,743	5,878	6,136
EPS (THB)	(1.38)	1.32	1.36	1.42
vs Consensus (%)	-	72.5	82.6	54.0
EBITDA	2,988	8,053	10,505	10,763
Core net profit	2,068	5,743	5,878	6,136
Core EPS (THB)	0.48	1.32	1.36	1.42
Chg. In EPS est. (%)	-	18.4	-	-
EPS growth (%)	nm	177.7	2.3	4.4
Core P/E (x)	22.2	8.0	7.8	7.5
Dividend yield (%)	-	7.5	8.5	8.5
EV/EBITDA (x)	18.3	6.3	4.5	4.1
Price/book (x)	1.7	1.5	1.4	1.3
Net debt/Equity (%)	32.6	14.9	3.0	(6.6)
ROE (%)	7.0	20.4	18.8	18.3



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	17.1	18.4	76.7
Relative to country (%)	17.2	11.5	37.4
Mkt cap (USD m)	1,357		
3m avg. daily turnover (USD m)	7.8		
Free float (%)	39		
Major shareholder	Chevron South Asia Holdings Pte Ltd (61%)		
12m high/low (THB)	10.80/5.10		
Issued shares (m)	4,335.90		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 11 ตุลาคม 2021

Investment thesis

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

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

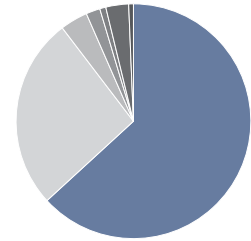
Company profile

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

www.sprc.co.th

Principal activities (revenue, 2020)

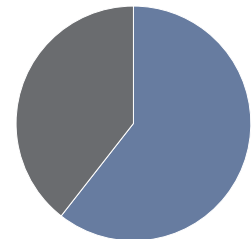
- Diesel - 63.2 %
- Gasoline - 26.4 %
- Jet Fuel - 3.8 %
- Light Naphtha - 1.9 %
- Liquefied Petroleum Gas - 0.8 %
- Polymer Grade Propylene - 3.1 %
- Others - 0.6 %



Source: Star Petroleum Refining

Major shareholders

- Chevron South Asia Holdings Pte Ltd - 60.6 %
- Others - 39.4 %



Source: Star Petroleum Refining

Catalysts

Higher refinery utilisation rates and a higher market GRM are key potential earnings drivers.

Risks to our call

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

Event calendar

Date	Event
Nov 2021	3Q21 results announcement

Key assumptions

	2021E	2022E	2023E
Utilisation rate (%)	85.0	95.0	95.0
Market GRM (USD/bbl)	4.1	5.1	5.8
Dubai crude price (USD/bbl)	65.0	60.0	60.0
Gasoline-Dubai spread (USD/bbl)	10.0	14.0	16.0
Jet-Dubai spread (USD/bbl)	5.0	12.0	15.0
Diesel-Dubai spread (USD/bbl)	6.0	15.0	15.0
Fuel oil-Dubai spread (USD/bbl)	(3.0)	(7.0)	(7.0)
Crude premium (USD/bbl)	3.7	4.5	4.5

Source: FSSIA estimates

Earnings sensitivity

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

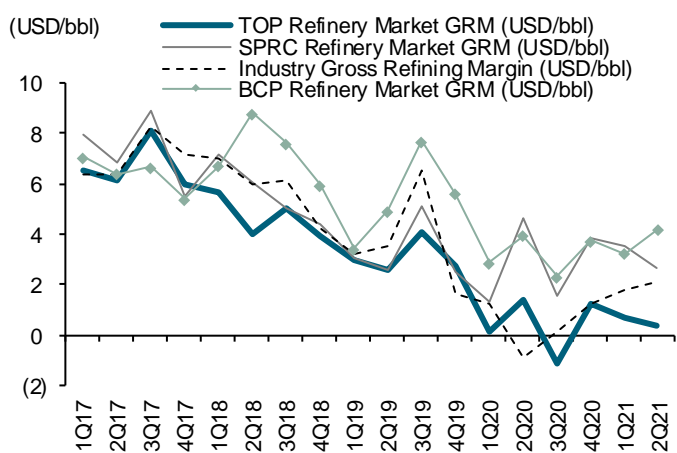
Source: FSSIA estimates

Exhibit 1: 3Q21E/9M21E summary

	3Q20	2Q21	3Q21E		9M20	9M21E	Change	
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Revenue	32,248	41,545	40,863	(1.6)	26.7	97,455	119,352	22.5
Operating costs	(31,319)	(39,787)	(39,058)	(1.8)	24.7	(73,949)	(73,450)	(0.7)
EBITDA	929	1,758	1,805	2.7	94.4	(8,742)	5,039	nm
EBITDA margin (%)	2.9	4	4.4	nm	nm	(9.0)	4	nm
Depn & amort.	(668)	(710)	(705)	(0.7)	5.5	(1,427)	(1,397)	(2.1)
EBIT	260	1,048	1,100	5.0	322.4	(10,169)	3,642	nm
Interest expense	(49)	(53)	(55)	3.6	12.0	(83)	(106)	28.1
Interest & invt inc	0	0	0	nm	nm	0	0	nm
Other income	13	13	10	(23.8)	(20.9)	21	26	26.8
Associates' contrib	0	0	0	nm	nm	0	0	nm
Exceptionals	110	(12)	(150)	nm	nm	(6,873)	(60)	(99.1)
Pretax profit	334	996	905	(9.1)	170.6	(17,103)	3,503	nm
Tax	(67)	(222)	(214)	(3.8)	220.0	1833	(724)	nm
Tax rate (%)	20	22	24	nm	nm	11	21	nm
Minority interests	0	0	0	nm	nm	0	0	nm
Net profit	268	773	691	(10.7)	158.3	(7,135)	2,779	nm
Non-recurring	558	545	775	42.1	38.8	6,873	1,712	(75.1)
Core net profit	(291)	228	(84)	nm	(71.1)	(262)	1,067	nm
EPS (THB)	0.06	0.18	0.16	(10.7)	158.3	(1.65)	0.64	nm
Core EPS (THB)	(0.07)	0.05	(0.02)	nm	(71.1)	(0.06)	0.25	nm

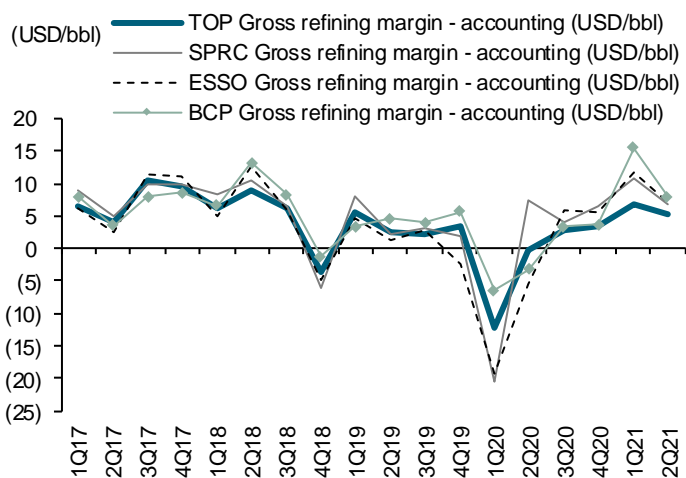
Sources: SPRC; FSSIA estimates

Exhibit 2: TOP, SPRC, BCP – market GRM



Source: Company data

Exhibit 3: TOP, SPRC, ESSO, BCP – gross refining margin



Source: Company data

Financial Statements

Star Petroleum Refining

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	168,840	130,163	155,948	183,906	185,774
Cost of goods sold	(169,486)	(126,265)	(146,804)	(172,115)	(173,711)
Gross profit	(646)	3,898	9,144	11,792	12,063
Other operating income	-	-	-	-	-
Operating costs	(1,690)	(911)	(1,091)	(1,287)	(1,300)
Operating EBITDA	(2,336)	2,988	8,053	10,505	10,763
Depreciation	(2,565)	(2,832)	(2,660)	(3,286)	(3,286)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	(4,901)	156	5,392	7,218	7,477
Net financing costs	1,179	142	(294)	(261)	(229)
Associates	0	0	0	0	0
Recurring non-operating income	2,650	215	1,946	253	278
Non-recurring items	(2,621)	(8,072)	0	0	0
Profit before tax	(3,693)	(7,559)	7,045	7,210	7,527
Tax	885	1,555	(1,302)	(1,332)	(1,391)
Profit after tax	(2,809)	(6,004)	5,743	5,878	6,136
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	(2,809)	(6,004)	5,743	5,878	6,136
Non-recurring items & goodwill (net)	2,621	8,072	0	0	0
Recurring net profit	(187)	2,068	5,743	5,878	6,136
Per share (THB)					
Recurring EPS *	(0.04)	0.48	1.32	1.36	1.42
Reported EPS	(0.65)	(1.38)	1.32	1.36	1.42
DPS	0.18	0.00	0.80	0.90	0.90
Diluted shares (used to calculate per share data)	4,336	4,336	4,336	4,336	4,336
Growth					
Revenue (%)	(19.3)	(22.9)	19.8	17.9	1.0
Operating EBITDA (%)	nm	nm	169.5	30.4	2.5
Operating EBIT (%)	nm	nm	3,365.0	33.9	3.6
Recurring EPS (%)	nm	nm	177.7	2.3	4.4
Reported EPS (%)	nm	nm	nm	2.3	4.4
Operating performance					
Gross margin inc. depreciation (%)	(1.9)	0.8	4.2	4.6	4.7
Gross margin of key business (%)	(1.9)	(5.4)	4.2	4.6	4.7
Operating EBITDA margin (%)	(1.4)	2.3	5.2	5.7	5.8
Operating EBIT margin (%)	(2.9)	0.1	3.5	3.9	4.0
Net margin (%)	(0.1)	1.6	3.7	3.2	3.3
Effective tax rate (%)	24.0	20.6	18.5	18.5	18.5
Dividend payout on recurring profit (%)	(423.1)	-	60.4	66.4	63.6
Interest cover (X)	1.9	(2.6)	25.0	28.6	33.9
Inventory days	33.0	38.9	23.5	22.8	24.5
Debtor days	21.3	22.0	19.9	16.9	16.7
Creditor days	27.7	30.9	20.3	19.7	21.2
Operating ROIC (%)	(10.3)	0.4	(3.3)	(4.6)	(4.9)
ROIC (%)	(4.6)	0.8	(4.2)	(4.3)	(4.6)
ROE (%)	(0.5)	7.0	20.4	18.8	18.3
ROA (%)	(2.1)	3.9	12.0	12.1	12.2
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Diesel	74,741	82,239	45,146	44,486	32,842
Gasoline	50,452	34,428	56,279	56,298	63,867
Jet Fuel	10,802	4,950	9,528	4,641	8,578
Light Naphtha	4,027	2,524	4,561	5,164	5,164

Sources: Star Petroleum Refining; FSSIA estimates

Financial Statements

Star Petroleum Refining

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	(187)	2,068	5,743	5,878	6,136
Depreciation	2,565	2,832	2,660	3,286	3,286
Associates & minorities	-	-	-	-	-
Other non-cash items	-	-	-	-	-
Change in working capital	(1,245)	2,661	167	73	6
Cash flow from operations	1,133	7,561	8,570	9,237	9,428
Capex - maintenance	(2,518)	(2,518)	(2,660)	(3,286)	(3,286)
Capex - new investment	(1,965)	(2,216)	(393)	(1,019)	(1,019)
Net acquisitions & disposals	0	0	0	0	0
Other investments (net)	6,645	2,146	0	0	0
Cash flow from investing	2,162	(2,588)	(3,053)	(4,305)	(4,305)
Dividends paid	(8,317)	(3,362)	(2,168)	(3,469)	(3,902)
Equity finance	0	0	0	0	0
Debt finance	6,369	3,418	(3,237)	(3,500)	0
Other financing cash flows	(1,401)	(3,413)	786	2,037	2,038
Cash flow from financing	(3,348)	(3,357)	(4,619)	(4,931)	(1,865)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(53)	1,615	898	0	3,258
Free cash flow to firm (FCFF)	3,341.14	5,149.65	5,810.94	5,193.16	5,351.56
Free cash flow to equity (FCFE)	8,263.77	4,977.52	3,065.75	3,469.09	7,160.63
Per share (THB)					
FCFF per share	0.77	1.19	1.34	1.20	1.23
FCFE per share	1.91	1.15	0.71	0.80	1.65
Recurring cash flow per share	0.55	1.13	1.94	2.11	2.17
Balance Sheet (THB m) Year Ending Dec					
Tangible fixed assets (gross)	69,391	69,353	71,621	73,888	76,156
Less: Accumulated depreciation	(42,705)	(45,197)	(47,857)	(51,143)	(54,430)
Tangible fixed assets (net)	26,686	24,156	23,764	22,745	21,726
Intangible fixed assets (net)	124	93	93	93	93
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	0	0	0	0	0
Cash & equivalents	20	1,635	2,532	2,533	5,791
A/C receivable	7,192	8,515	8,515	8,515	8,515
Inventories	17,856	9,052	9,892	11,597	11,705
Other current assets	456	121	146	172	173
Current assets	25,524	19,323	21,084	22,816	26,183
Other assets	1,960	2,969	2,969	2,969	2,969
Total assets	54,294	46,541	47,910	48,623	50,972
Common equity	32,476	26,427	30,002	32,411	34,645
Minorities etc.	0	0	0	0	0
Total shareholders' equity	32,476	26,427	30,002	32,411	34,645
Long term debt	0	8,857	5,000	0	0
Other long-term liabilities	484	517	517	517	517
Long-term liabilities	484	9,374	5,517	517	517
A/C payable	13,567	7,821	8,547	10,020	10,113
Short term debt	6,819	1,380	2,000	3,500	3,500
Other current liabilities	949	1,539	1,844	2,175	2,197
Current liabilities	21,334	10,740	12,391	15,695	15,810
Total liabilities and shareholders' equity	54,294	46,541	47,910	48,623	50,972
Net working capital	10,989	8,328	8,161	8,088	8,083
Invested capital	39,759	35,546	34,987	33,895	32,871
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	7.49	6.09	6.92	7.48	7.99
Tangible book value per share	7.46	6.07	6.90	7.45	7.97
Financial strength					
Net debt/equity (%)	20.9	32.6	14.9	3.0	(6.6)
Net debt/total assets (%)	12.5	18.5	9.3	2.0	(4.5)
Current ratio (x)	1.2	1.8	1.7	1.5	1.7
CF interest cover (x)	(7.7)	(49.5)	12.8	18.2	36.8
Valuation					
Recurring P/E (x) *	(245.5)	22.2	8.0	7.8	7.5
Recurring P/E @ target price (x) *	(312.7)	28.3	10.2	10.0	9.5
Reported P/E (x)	(16.4)	(7.7)	8.0	7.8	7.5
Dividend yield (%)	1.7	-	7.5	8.5	8.5
Price/book (x)	1.4	1.7	1.5	1.4	1.3
Price/tangible book (x)	1.4	1.7	1.5	1.4	1.3
EV/EBITDA (x) **	(22.6)	18.3	6.3	4.5	4.1
EV/EBITDA @ target price (x) **	(28.0)	22.5	7.8	5.7	5.2
EV/invested capital (x)	1.3	1.5	1.4	1.4	1.3
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: Star Petroleum Refining; 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	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	TPIPP	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

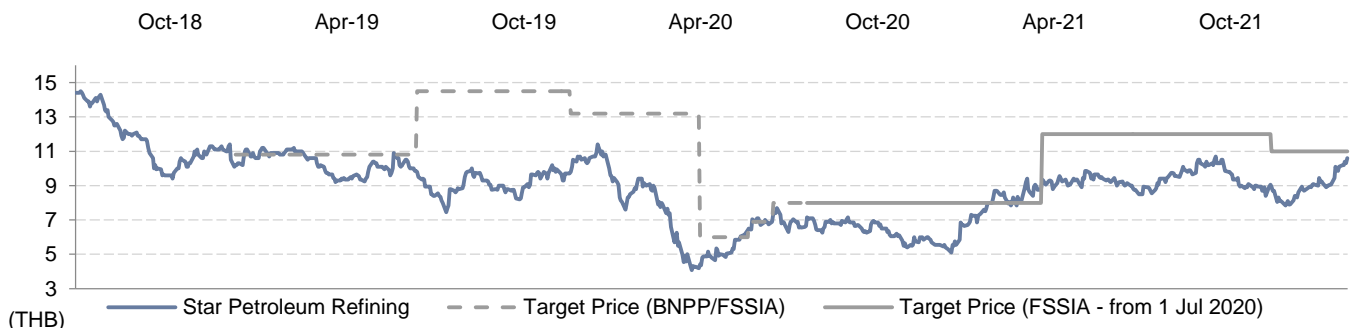
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

Star Petroleum Refining (SPRC TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
26-Feb-2019	HOLD	10.80	12-May-2020	BUY	6.90	18-Jan-2021	BUY	12.00
01-Aug-2019	BUY	14.50	02-Jun-2020	BUY	8.00	22-Feb-2021	BUY	12.00
11-Dec-2019	BUY	13.20	18-Jun-2020	BUY	8.00	28-May-2021	BUY	12.00
31-Mar-2020	BUY	6.00	30-Oct-2020	BUY	8.00	03-Aug-2021	BUY	11.00

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

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Star Petroleum Refining	SPRC TB	THB 10.60	BUY	TP is based on EV/EBITDA. Downside risks are a sharp rise in oil price and weak demand for refined oil products.

Source: FSSIA estimates

Additional Disclosures

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

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

All share prices are as at market close on 08-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.