

28 OCTOBER 2021

THAILAND / OIL & GAS

BANGCHAK CORP BCP TB

BUY

UNCHANGED

TARGET PRICE	THB38.00
CLOSE	THB28.00
UP/DOWNSIDE	+35.7%
PRIOR TP	THB38.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+21.7%

ไล่ตามแนวโน้มค่าการกลั่น (GRM) ขาขึ้น

กำไรสุทธิจะสะดุดใน 3Q21 ก่อนกระโดดใน 4Q21

ในขณะที่เราคาดว่ากำไรสุทธิของ BCP ใน 3Q21 จะอ่อนลง q-q กำไรสุทธิ 4Q21 น่าจะดีขึ้นอย่างมีนัยสำคัญ q-q และ y-y จาก Market GRM ที่กระโดดขึ้น 1-2x q-q จากประมาณการของตลาดซึ่งใช้ GRM ของ TOP เป็นตัวแทน เราคาดว่า BCP จะรายงานกำไรสุทธิ 3Q21 ในระดับสูงที่ 2.3 พัน ลบ. เพิ่มขึ้น 29% q-q และ พลิกจากที่เคยขาดทุนสุทธิ 647 ลบ. ใน 3Q20 อย่างไรก็ดีเราคาดว่ากำไรสุทธิจากการดำเนินงานจะอ่อนลง q-q เป็น 531 ลบ. (-16.5% q-q, +161% y-y)

Unconverted oil ยังเป็นจุดแข็งเฉพาะของ BCP

กำไรสุทธิ 3Q21 ที่เราคาดไว้ที่ 2.3 พัน ลบ. น่าจะได้รับปัจจัยผลักดันจาก 1) อัตราการใช้กำลังการผลิตในธุรกิจโรงกลั่นที่สูงขึ้นเป็น 91% หรือ 110kbpd เพิ่มขึ้นจาก 89% หรือ 107kbpd ใน 2Q21 จากการปิดโรงกลั่นตามแผนที่สั้นลง; 2) Market GRM ที่ลดลงเหลือ USD3.0/bbl จาก USD4.2/bbl ใน 2Q21 จาก Crude Premium ที่สูงขึ้น q-q เป็นกว่า USD1/bbl ซึ่งหักลบกับ Product Margins ที่สูงขึ้นไปบางส่วน; 3) ผลตอบแทนการผลิตที่สูงขึ้นสำหรับ Unconverted Oil (UCO) (ซึ่งราคาอิงกับราคาน้ำมันดีเซลบวก Premium อีก USD2-3/bbl จากมูลค่าในฐานะที่เป็นวัตถุดิบสำหรับการผลิต Lube Groups II และ III) จาก 6% ใน 2Q21 เป็น 11% ใน 3Q21; 4) กำไรจากสินค้าคงคลังจำนวน 1.3 พัน ลบ. ใน 3Q21; 5) กำไร 0.6 พัน ลบ. จากการขายหุ้นใน Ubon Ethanol (UBE TB, NR) ที่เพิ่งจดทะเบียนในตลาดฯ; 6) ผลขาดทุนจากสัญญาแลกเปลี่ยน USD1/bbl หรือ 0.3 พัน ลบ. เพิ่มขึ้นจาก 0.2 พัน ลบ. ใน 2Q21; และ 7) BCP ผลิตน้ำมันอากาศยานได้เพียง 4% เทียบกับดีเซล 53% และเบนซิน 20% เนื่องจาก Jet-Crude Margin ยังคงอ่อนแอใน 3Q21

กำไรสุทธิ: ธุรกิจการตลาดปลายทางที่อ่อนแอเทียบกับธุรกิจผลิตและสำรวจ (F&P) ต้นน้ำที่ดี

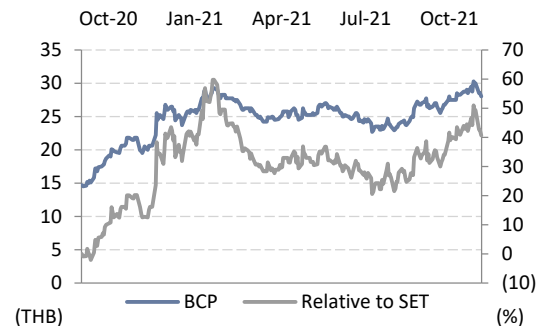
ใน 3Q21 สถานะบริการน้ำมันมีปริมาณขายลดลง 10% q-q เหลือ 920 ล้านลิตรจากมาตรการปิดเมือง แม้ว่าจะเปิดสถานบริการน้ำมันใหม่ 8 แห่ง ในขณะที่ปริมาณขายของกลุ่มอุตสาหกรรมลดลง 16% q-q จากมาตรการปิดเมือง Marketing Margin ลดลงเหลือ 0.75/ลิตรจาก 0.88/ลิตร ใน 2Q21 เราคาดว่ากำไรจากธุรกิจไฟฟ้าจะเพิ่ม q-q เป็น 0.7 พัน ลบ. ส่วนมากจากกำไรที่เพิ่มขึ้นเป็นจำนวนมากของโรงไฟฟ้าพลังน้ำ 2 แห่ง (Nam San 3A&B) จากระดับน้ำที่อยู่ในระดับสูง ซึ่งช่วยชดเชยกำไรที่ลดลง q-q ของโรงไฟฟ้าพลังความร้อนใต้ดินและพลังลมจากการปิดโรงไฟฟ้าและความเร็วลมที่ลดลง ในขณะที่ปริมาณขายที่เพิ่มขึ้นเป็น 16.98kbpd และราคาขายที่สูงขึ้นของน้ำมันและก๊าซ (+2x q-q) ช่วยผลักดันส่วนแบ่งกำไรสุทธิของ OKEA (BCP ถือหุ้น 46%) เป็น 0.5 พัน ลบ.

การปรับขึ้นของ GRM เป็นปัจจัยผลักดันสำคัญ

เราคงคำแนะนำซื้อที่ราคาเป้าหมาย 38 บาท (SoTP) เราคิดว่า BCP ในฐานะที่เป็นโรงกลั่นที่มีกำไร 2 ใน 3 จากธุรกิจโรงกลั่นน่าจะรายงาน Market GRM เพิ่มขึ้นเห็นได้ชัดใน 4Q21 จากความต้องการที่สูงขึ้นและต้นทุน Crude Premium ที่ลดลง

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	136,450	163,914	167,269	167,622
Net profit	(6,967)	2,634	5,731	5,578
EPS (THB)	(5.06)	1.91	4.16	4.05
vs Consensus (%)	-	(34.0)	43.9	23.6
EBITDA	4,008	10,609	14,055	14,395
Core net profit	(3,718)	2,634	5,731	5,578
Core EPS (THB)	(2.70)	1.91	4.16	4.05
Chg. In EPS est. (%)	nm	-	-	-
EPS growth (%)	nm	nm	117.6	(2.7)
Core P/E (x)	(10.4)	14.6	6.7	6.9
Dividend yield (%)	2.1	3.4	7.5	7.2
EV/EBITDA (x)	22.7	9.6	7.4	7.4
Price/book (x)	0.8	0.8	0.7	0.7
Net debt/Equity (%)	69.3	84.1	80.5	79.1
ROE (%)	(7.6)	5.6	11.5	10.5



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	1.8	21.7	87.9
Relative to country (%)	1.1	15.0	39.5
Mkt cap (USD m)	1,144		
3m avg. daily turnover (USD m)	4.2		
Free float (%)	62		
Major shareholder	Ministry of Finance (25%)		
12m high/low (THB)	30.75/14.30		
Issued shares (m)	1,376.92		

Sources: Bloomberg consensus; FSSIA estimates



Suwat Sinsadok

suwat.sin@fssia.com
+66 2611 3558

Siriluck Pinthusoonthorn

siriluck.pin@fssia.com
+66 2611 3562

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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 28 ตุลาคม 2021

Investment thesis

BCP's earnings sustainability has continued to improve thanks to its well-diversified earnings portfolio, with 50-60% of its EBITDA coming from less cyclical non-refinery businesses, including oil stations (20%), power (25%), bio-based products (10%), and exploration & production (E&P) (1%) as of 2019.

We believe BCP's growth strategy to increase the number of its oil stations by 330 stations (+30% from 1,080 stations in 2017) from 2017 to 2023 will allow the company to not only improve its overall profitability but also position it as the second largest oil station operator in Thailand. This growth strategy would allow BCP to become a self-sufficient refiner with 100% captive demand for refined oil products from its downstream oil stations by 2023.

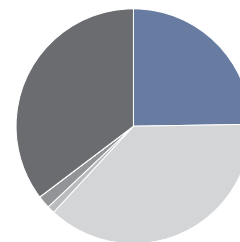
Company profile

BCP is Thailand's sixth largest refiner and second largest gas station operator. The company's Suboar refinery has a nameplate capacity of 120kbpd. It also runs 1,140 oil stations (as at end-2Q18) and biodiesel plants.

www.bangchak.co.th

Principal activities (revenue, 2020)

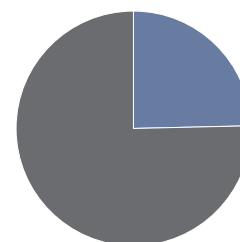
- Refinery and oil trading - 84.1 %
- Marketing - 126.3 %
- Electricity - 3.5 %
- Bio based product - 6.0 %
- Natural resource - 0.0 %
- Eliminations - -120.0 %



Source: Bangchak Corp

Major shareholders

- Ministry of Finance - 24.6 %
- Others - 75.4 %



Source: Bangchak Corp

Catalysts

A stronger-than-expected recovery in market GRM on wider-than-expected diesel cracks and lower-than-expected crude premiums is a key potential catalyst.

Risks to our call

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.

Event calendar

Date	Event
Nov 2021	3Q21 results announcement

Key assumptions

	2021E (USD/bbl)	2022E (USD/bbl)	2023E (USD/bbl)
Brent oil price	50.0	50.0	50.0
Market GRM	4.61	5.88	5.88
Crude premium	2.00	2.00	2.00
Diesel-Dubai	10	12	12
Jet-Dubai	7	11	11
Gasoline-Dubai	7	10	10
LSFO-Dubai	5	5	5
HSFO-Dubai	(5)	(5)	(5)

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in average Dubai oil price, we project 2021 earnings will rise by 1.2%, and vice versa.
- For every 1% increase in market GRM, we estimate 2021 earnings will rise by 1.4%, and vice versa.
- Stability in crude oil price, rising diesel cracks, and low crude premiums are key for earnings growth.

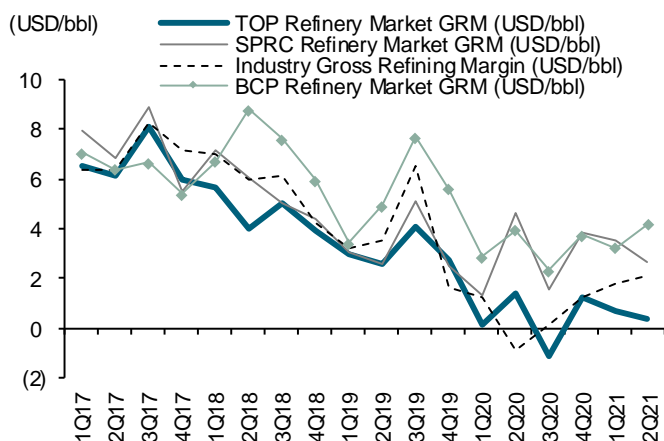
Source: FSSIA estimates

A weak 3Q21 should be followed by a strong 4Q21 net profit

While we expect BCP's 3Q21 net profit to weaken q-q, its 4Q21 net profit should significantly improve q-q and y-y, driven by the market GRM jumping by 1-2x q-q, based on BBG's market GRM for Thai Oil (TOP TB, BUY, TP THB67) as a proxy.

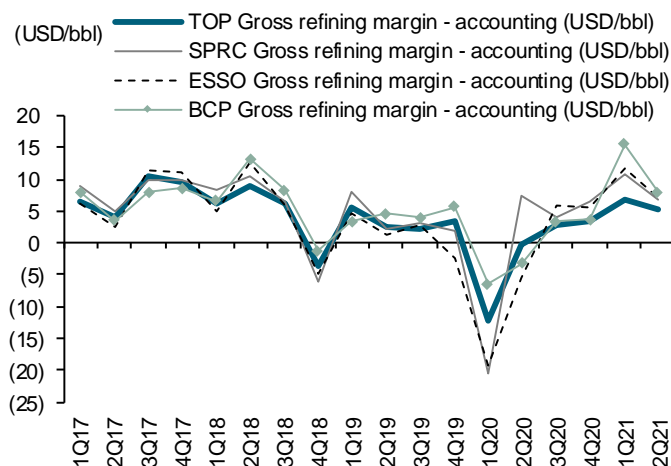
We project BCP to post a strong 3Q21 net profit of THB2.3b, up 29% q-q and from a net loss of THB647m in 3Q20. However, we expect its core net profit to weaken q-q to THB531m, down 16.5% q-q but up 161% y-y. Key points are:

Exhibit 1: TOP, SPRC, BCP – market GRM



Source: Company data

Exhibit 2: TOP, SPRC, ESSO, BCP – gross refining margin



Source: Company data

Refinery remained weak due to higher crude premiums

- A higher refinery utilisation rate to 91% or 110kbpd in 3Q21, up from 89% or 107kbpd in 2Q21, due to the shorter planned shutdown;
- A lower market GRM to USD3.0/bbl in 3Q21, down from USD4.2/bbl in 2Q21, due to the q-q higher crude premium of over USD1/bbl that was partly offset by the q-q higher product margins of gasoline, diesel, and jet fuel;
- A higher production yield of UCO, whose price is linked to the diesel price plus a USD2-3/bbl premium, from 6% in 2Q21 to 11% in 3Q21, thanks to its value as a feedstock for the production of lube groups II and III. BCP plans to increase the UCO yield to 16% by 2022 at the expense of lower production yields of high sulphur fuel oil and diesel;
- An inventory gain of THB1.3b in 3Q21, flat q-q, despite the higher q-q crude oil price, as BCP has a higher-than-normal crude inventory carried forward from 2Q21;
- A THB0.6b gain from the divestment of its stake in the recently listed Ubon Ethanol;
- A hedging loss of USD1/bbl or THB0.3b, up from THB0.2b in 2Q21;
- BCP produced only 4% jet vs 53% diesel and 20% gasoline, as the jet-crude margin remained weak in 3Q21.

Marketing oil stations were impacted by the lockdown

- The sales volume for its oil stations dropped 10% q-q to 920m litres in 3Q21, while the industrial segment plunged 16% q-q due to the lockdown impact;
- The marketing margin declined to THB0.75/litre in 3Q21, down from 0.88/litre in 2Q21;
- 8 new oil stations were added in 3Q21, similar to the additions in 2Q21.

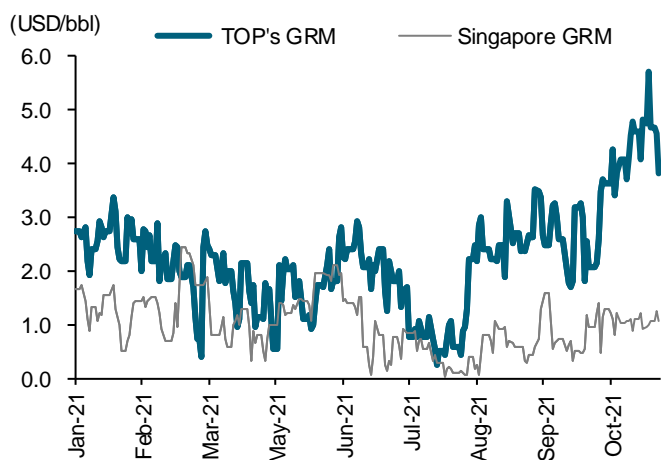
Power strengthened on strong earnings from hydropower plants

- We project its power earnings to rise q-q to THB0.7b in 3Q21, driven mainly by a sharp rise in the profits from the two hydropower plants Nam San 3A&B due to the high water level to offset the q-q weaker earnings from its geothermal plants and wind farms due to shutdowns and lower wind speeds.

E&P profit jumped on higher prices of oil and gas

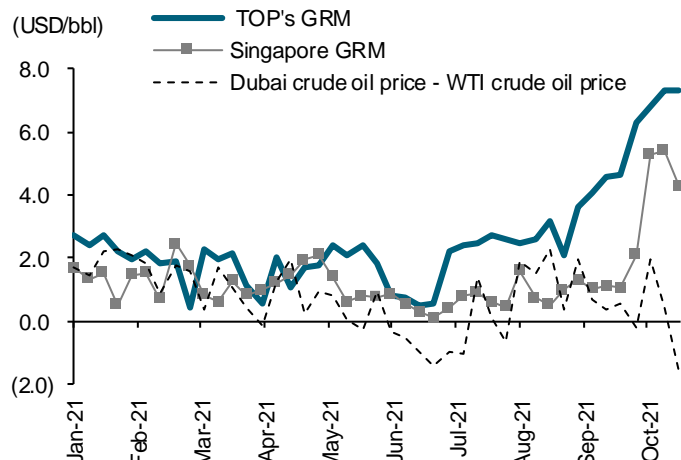
- A rising sales volume to 16.98kbpd and the higher prices of oil and gas (+2x q-q) drove the net profit contribution from OKEA (46% owned by BCP) to THB0.5b in 3Q21, despite the planned shutdown of one gas field.

Exhibit 3: TOP's GRM vs Singapore GRM (daily)



Source: Bloomberg

Exhibit 4: TOP's GRM vs Singapore GRM (weekly)



Source: Bloomberg

Biofuel sales volume plunged

- We expect its biodiesel sales volume, with a capacity of 1mlpd, to drop 10% q-q in 3Q21 due to the lockdown impact, while its gross profit should rise q-q, driven by the q-q higher margin;
- The ethanol sales volume dropped q-q in 3Q21 due to the weak demand, while the feedstock cost rose, pressuring the gross margin.

Exhibit 5: 3Q21E/9M21E results preview

	3Q20	2Q21	3Q21E		9M20	9M21E	Change	
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Revenue	33,652	43,775	45,389	3.7	34.9	103,317	130,395	26.2
Operating costs	(30,883)	(39,506)	(41,821)	5.9	35.4	(101,963)	(117,821)	15.6
EBITDA	2,769	4,269	3,568	(16.4)	28.9	1,354	12,574	828.7
EBITDA margin (%)	8.2	9.8	7.9	nm	nm	1.3	9.6	nm
Depn & amort.	(1,631)	(1,719)	(1,653)	(3.9)	1.4	(4,880)	(5,043)	3.3
EBIT	1,138	2,550	1,915	(24.9)	68.2	(3,526)	7,531	nm
Interest expense	(504)	(518)	(533)	2.8	5.7	(1,486)	(1,515)	2.0
Interest & invt inc	121	176	180	2.5	49.2	412	497	nm
Associates' contrib	58	512	365	(28.8)	534.8	1,308	1,071	nm
Exceptionals	(1,122)	(450)	720	nm	nm	(4,623)	381	nm
Pretax profit	(310)	2,269	2,647	16.6	nm	(7,913)	7,965	nm
Tax	(19)	(195)	(123)	(37.0)	551.1	1,543	(726)	nm
Tax rate (%)	(6.1)	8.6	4.6	(46.0)	nm	19.5	9.1	(53.3)
Minority interests	(318)	(309)	(256)	(17.3)	(19.4)	(848)	(924)	9.0
Net profit	(647)	1,765	2,268	28.5	nm	(7,219)	6,316	nm
Non-recurring	850	(1,129)	(1,737)	53.9	nm	3,807	(5,068)	nm
Core profit	203	636	531	(16.5)	161.1	(3,412)	1,248	nm
EPS (THB)	(0.57)	1.21	0.00	nm	nm	(5.56)	2.80	nm
Core EPS (THB)	0.15	0.46	0.39	(16.5)	161.1	(2.48)	0.91	nm

Sources: BCP; FSSIA estimates

Financial Statements

Bangchak Corp

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	190,489	136,450	163,914	167,269	167,622
Cost of goods sold	(175,225)	(125,301)	(147,568)	(146,858)	(146,858)
Gross profit	15,264	11,150	16,346	20,411	20,764
Other operating income	-	-	-	-	-
Operating costs	(7,614)	(7,141)	(5,737)	(6,356)	(6,370)
Operating EBITDA	7,649	4,008	10,609	14,055	14,395
Depreciation	(5,032)	(6,821)	(5,771)	(6,301)	(6,831)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	2,617	(2,813)	4,838	7,754	7,564
Net financing costs	(1,073)	(1,237)	(1,927)	(1,586)	(1,586)
Associates	404	(592)	30	0	0
Recurring non-operating income	899	(59)	589	587	616
Non-recurring items	113	(3,249)	0	0	0
Profit before tax	2,556	(7,359)	3,500	6,755	6,595
Tax	(68)	1,589	(167)	(324)	(317)
Profit after tax	2,488	(5,770)	3,334	6,431	6,278
Minority interests	(757)	(1,197)	(700)	(700)	(700)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	1,732	(6,967)	2,634	5,731	5,578
Non-recurring items & goodwill (net)	(113)	3,249	0	0	0
Recurring net profit	1,619	(3,718)	2,634	5,731	5,578
Per share (THB)					
Recurring EPS *	1.18	(2.70)	1.91	4.16	4.05
Reported EPS	1.26	(5.06)	1.91	4.16	4.05
DPS	1.40	0.60	0.96	2.09	2.03
Diluted shares (used to calculate per share data)	1,377	1,377	1,377	1,377	1,377
Growth					
Revenue (%)	(0.8)	(28.4)	20.1	2.0	0.2
Operating EBITDA (%)	(14.2)	(47.6)	164.7	32.5	2.4
Operating EBIT (%)	(34.7)	nm	nm	60.3	(2.5)
Recurring EPS (%)	(51.6)	nm	nm	117.6	(2.7)
Reported EPS (%)	(29.7)	nm	nm	117.6	(2.7)
Operating performance					
Gross margin inc. depreciation (%)	5.4	3.2	6.5	8.4	8.3
Gross margin of key business (%)	5.4	3.2	6.5	8.4	8.3
Operating EBITDA margin (%)	4.0	2.9	6.5	8.4	8.6
Operating EBIT margin (%)	1.4	(2.1)	3.0	4.6	4.5
Net margin (%)	0.8	(2.7)	1.6	3.4	3.3
Effective tax rate (%)	4.8	37.4	4.8	4.8	4.8
Dividend payout on recurring profit (%)	119.1	(22.2)	50.0	50.3	50.0
Interest cover (X)	3.3	(2.3)	2.8	5.3	5.2
Inventory days	32.3	46.6	43.5	47.2	47.1
Debtor days	18.9	23.4	17.9	24.8	32.0
Creditor days	24.3	37.5	33.1	35.8	35.8
Operating ROIC (%)	2.9	(3.1)	(2.2)	(3.2)	(2.9)
ROIC (%)	2.5	(1.9)	(1.4)	(2.1)	(2.0)
ROE (%)	3.4	(7.6)	5.6	11.5	10.5
ROA (%)	2.6	(1.2)	1.9	4.1	3.9
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Refinery and oil trading	175,480	114,820	141,764	144,570	144,341
Marketing	136,051	172,369	182,711	193,674	205,295
Electricity	3,427	4,790	4,791	4,791	4,791
Bio based product	10,013	8,212	8,212	8,212	8,212

Sources: Bangchak Corp; FSSIA estimates

Financial Statements

Bangchak Corp

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	1,619	(3,718)	2,634	5,731	5,578
Depreciation	5,032	6,821	5,771	6,301	6,831
Associates & minorities	495	533	559	587	616
Other non-cash items	-	-	-	-	-
Change in working capital	(1,723)	5,115	(3,530)	(3,270)	(3,347)
Cash flow from operations	5,423	8,751	5,434	9,349	9,678
Capex - maintenance	(6,228)	(6,758)	(7,325)	(7,998)	(8,670)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(2,389)	2,663	(1,025)	(130)	543
Cash flow from investing	(8,617)	(4,095)	(8,350)	(8,127)	(8,127)
Dividends paid	(1,928)	(1,377)	(1,071)	(2,099)	(2,835)
Equity finance	(1,370)	0	0	0	0
Debt finance	(2,423)	14,019	(6,019)	0	0
Other financing cash flows	4,667	(3,211)	(6,559)	(469)	(528)
Cash flow from financing	(1,054)	9,431	(13,650)	(2,568)	(3,363)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(4,249)	14,087	(16,566)	(1,345)	(1,811)
Free cash flow to firm (FCFF)	(1,493.80)	6,625.17	(989.20)	2,808.11	3,137.03
Free cash flow to equity (FCFE)	(950.52)	15,463.48	(15,494.57)	753.36	1,023.28
Per share (THB)					
FCFF per share	(1.08)	4.81	(0.72)	2.04	2.28
FCFE per share	(0.69)	11.23	(11.25)	0.55	0.74
Recurring cash flow per share	5.19	2.64	6.51	9.16	9.46
Balance Sheet (THB m) Year Ending Dec					
Tangible fixed assets (gross)	90,461	96,466	105,205	113,944	122,682
Less: Accumulated depreciation	(37,877)	(41,899)	(47,670)	(53,972)	(60,802)
Tangible fixed assets (net)	52,584	54,567	57,534	59,972	61,880
Intangible fixed assets (net)	10,415	13,309	13,309	13,309	13,309
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	20,233	15,713	15,713	15,713	15,713
Cash & equivalents	7,564	21,651	5,085	3,740	1,928
A/C receivable	11,073	6,402	9,680	13,026	16,378
Inventories	15,835	16,162	19,035	18,943	18,943
Other current assets	3,149	3,080	3,700	3,776	3,784
Current assets	37,621	47,296	37,500	39,485	41,033
Other assets	6,936	17,438	17,438	17,438	17,438
Total assets	127,788	148,323	141,494	145,917	149,373
Common equity	51,604	46,366	47,928	51,590	54,334
Minorities etc.	7,211	11,950	12,650	13,350	14,050
Total shareholders' equity	58,815	58,316	60,579	64,941	68,384
Long term debt	37,792	54,095	43,792	43,792	43,792
Other long-term liabilities	4,098	10,409	4,098	4,098	4,098
Long-term liabilities	41,890	64,504	47,890	47,890	47,890
A/C payable	13,447	12,277	14,459	14,389	14,389
Short term debt	10,249	7,966	12,249	12,249	12,249
Other current liabilities	3,387	5,259	6,318	6,447	6,461
Current liabilities	27,083	25,502	33,026	33,086	33,099
Total liabilities and shareholders' equity	127,788	148,323	141,494	145,917	149,373
Net working capital	13,223	8,108	11,638	14,908	18,255
Invested capital	103,390	109,135	115,632	121,340	126,595
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	37.48	33.67	34.81	37.47	39.46
Tangible book value per share	29.91	24.01	25.14	27.80	29.79
Financial strength					
Net debt/equity (%)	68.8	69.3	84.1	80.5	79.1
Net debt/total assets (%)	31.7	27.2	36.0	35.8	36.2
Current ratio (x)	1.4	1.9	1.1	1.2	1.2
CF interest cover (x)	0.1	13.5	(7.0)	1.5	1.6
Valuation					
Recurring P/E (x) *	23.8	(10.4)	14.6	6.7	6.9
Recurring P/E @ target price (x) *	32.3	(14.1)	19.9	9.1	9.4
Reported P/E (x)	22.3	(5.5)	14.6	6.7	6.9
Dividend yield (%)	5.0	2.1	3.4	7.5	7.2
Price/book (x)	0.7	0.8	0.8	0.7	0.7
Price/tangible book (x)	0.9	1.2	1.1	1.0	0.9
EV/EBITDA (x) **	11.3	22.7	9.6	7.4	7.4
EV/EBITDA @ target price (x) **	13.1	26.1	10.9	8.4	8.4
EV/invested capital (x)	0.8	0.8	0.9	0.9	0.8
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: Bangchak Corp; 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	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	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

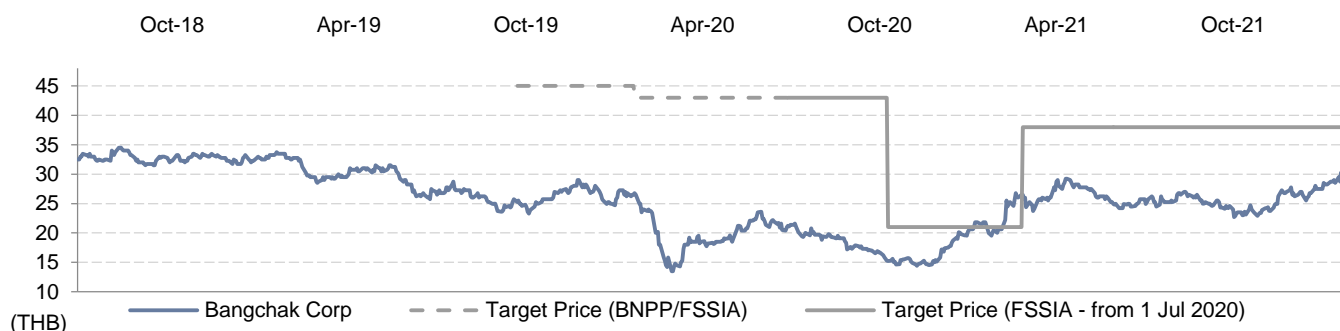
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

Bangchak Corp (BCP TB)



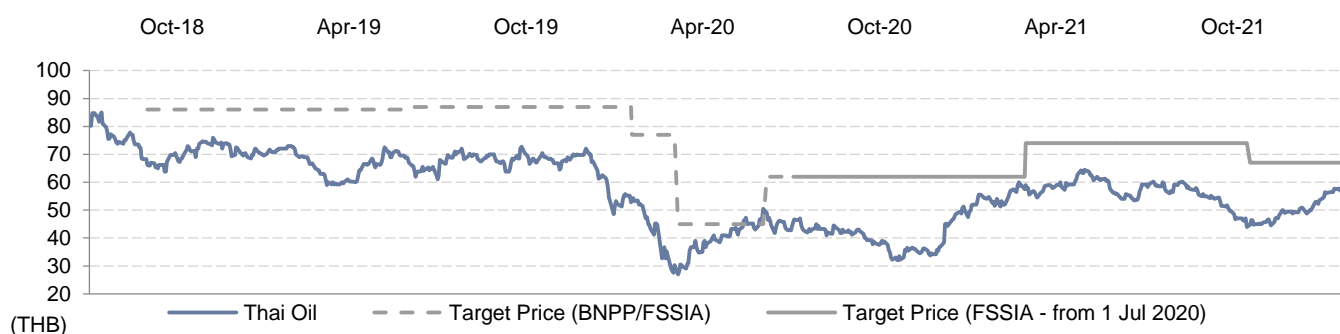
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
08-Nov-2019	BUY	45.00	24-Sep-2020	BUY	21.00	-	-	-
20-Feb-2020	BUY	43.00	18-Jan-2021	BUY	38.00			

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

Price and TP are in local currency

Source: FSSIA estimates

Thai Oil (TOP TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
18-Dec-2018	BUY	86.00	08-Jun-2020	BUY	62.00	15-Feb-2021	BUY	74.00
06-Aug-2019	BUY	87.00	08-Jun-2020	BUY	62.00	19-May-2021	BUY	74.00
12-Feb-2020	BUY	77.00	21-Aug-2020	BUY	62.00	30-Jul-2021	BUY	67.00
23-Mar-2020	BUY	45.00	18-Jan-2021	BUY	74.00			

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
Bangchak Corp	BCP TB	THB 28.00	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.
Thai Oil	TOP TB	THB 56.25	BUY	Downside risks to our EV/EBITDA-based TP 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 27-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.