

8 NOVEMBER 2021

THAILAND / OIL & GAS

PTG ENERGY PTG TB

BUY

UNCHANGED

TARGET PRICE	THB18.30
CLOSE	THB14.60
UP/DOWNSIDE	+25.3%
PRIOR TP	THB20.80
CHANGE IN TP	-12.0%
TP vs CONSENSUS	-9.3%

แรงต้านจากอัตรากำไรเทียบกับแรงส่งจากยอดขาย

ค่ากำไรสุทธิ 3Q21 จะออกมาอ่อนแอที่ 125 ลบ. จากผลกระทบของยอดขายและ MM ที่ลดลง

เราคาดว่ากำไรสุทธิ 3Q21 จะตกต่ำอยู่ที่ 125 ลบ. (-75% y-y, -75% q-q) ซึ่งต่ำกว่ากำไรสุทธิรายไตรมาสเฉลี่ยของ PTG ที่ 0.5 พัน ลบ. อย่างมีนัยสำคัญ เราคาดว่าตัวการสำคัญจะอยู่ที่ 1) Marketing margin (MM) ที่ลดลง q-q ของธุรกิจสถานีบริการน้ำมันเป็น 1.7 บาท/ลิตรจาก 1.9 บาท/ลิตรใน 2Q21 จากความผันผวนของราคาน้ำมันและมาตรการปิดเมือง; 2) ปริมาณขายรวมที่ลดลงเป็น 1,100 ล้านลิตร (-14% q-q, -10% y-y) จาก 1,291 ล้านลิตรใน 2Q21 จากผลกระทบของมาตรการปิดเมืองในช่วงเดือน ก.ค. - ก.ย.; 3) ยอดขายที่ลดลงในธุรกิจที่ไม่ใช่น้ำมันจากมาตรการปิดเมือง; และ 4) ส่วนแบ่งกำไรจากธุรกิจไบโอดีเซลที่ลดลงเหลือ 28 ลบ. จาก 33 ลบ. ใน 2Q21 จากความต้องการที่อยู่ในระดับต่ำตามฤดูกาลและมาตรการปิดเมือง

ผลกระทบจากเพดานราคาน้ำมันจะอยู่ไปจนถึงช่วงเดือน พ.ย. - ธ.ค. 2021

ในขณะที่เพดานราคาของรัฐบาลสิ้นสุดลงอย่างเป็นทางการในเดือน ต.ค. 2021 (มีผลช่วง 5-31 ต.ค. 2021) ผู้ประกอบการกิจการสถานีบริการน้ำมันได้ระบุว่าบริษัทจะเพิ่มราคาไบโอดีเซลในอัตราที่ต่ำกว่าต้นทุนที่สูงขึ้น ต่างจากคู่แข่งในประเทศของบริษัทฯ ปริมาณขายของสถานีบริการน้ำมันของ PTG ส่วนมากเป็นไบโอดีเซล ซึ่งคิดเป็นกว่า 75% ของปริมาณขายน้ำมันรวม เพราะฉะนั้นเราจึงคาดว่า MM ของ PTG อาจยังคงอ่อนแอ โดยจะอยู่ในช่วง 1.53-1.62 บาท/ลิตรใน 4Q21 ลดลงจาก 1.7 บาท/ลิตรใน 3Q21 เนื่องจากเราคำนวณว่า MM ที่ลดลงทุก ๆ 0.1 บาท/ลิตรอาจก่อให้เกิดผลขาดทุนสุทธิ 0.1 พัน ลบ. แต่ PTG เราจึงคิดว่ากำไรสุทธิของ PTG ใน 4Q21 อาจมีความเสี่ยงลดลงมากถึง 0.2-0.3 พัน ลบ. เว้นแต่รัฐบาลจะอนุญาตให้ผู้ประกอบการกิจการสถานีบริการน้ำมันเพิ่ม MM ได้

ปริมาณขายสูงขึ้น แต่ Marketing margin ลดลงใน 4Q21

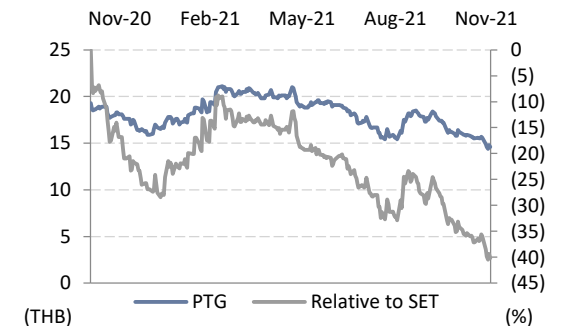
ใน 4Q21 เราคาดว่าปริมาณขายน้ำมันของ PTG จะพลิกฟื้นเป็น 1.3 พันล้านลิตรจาก 1.1 พันล้านลิตรใน 3Q21 จากความต้องการที่สูงตามฤดูกาลและข้อจำกัดในด้านการขนส่งที่ลดน้อยลงตั้งแต่ปลายเดือน ก.ย. 2021 เป็นต้นไปเพื่อชดเชยผลกระทบจากปัญหาอุทกภัยในเดือน ต.ค. 2021 อย่างไรก็ตามเรายังคาดว่ากำไรสุทธิจะอ่อนแอใน 4Q21 เนื่องจาก MM ที่ถูกกดไว้มีแนวโน้มที่จะมีน้ำหนักมากกว่าความต้องการที่สูงขึ้นในธุรกิจสถานีบริการน้ำมันและที่ไม่ใช่น้ำมันของ PTG หลังจากการกลับมาเปิดเศรษฐกิจ เราคาดว่า PTG น่าจะรายงานผลขาดทุนสุทธิจากนโยบายเพดานราคาของรัฐบาลในช่วง 5-31 ต.ค. 2021 ที่ 63 ลบ.

คำแนะนำซื้อหลังปรับลดราคาเป้าหมายเป็น 18.3 บาท

เราคงคำแนะนำซื้อแต่ปรับลดราคาเป้าหมายจาก 20.8 (23x ของค่า 2021E P/E) เป็น 18.3 บาท (20x ของค่า 2022E P/E สำหรับธุรกิจสถานีบริการน้ำมันเพื่อสะท้อนแนวโน้ม MM ที่ตกต่ำและ 13x ของค่า 2022E P/E สำหรับธุรกิจไบโอดีเซล) เพื่อสะท้อนการปรับการประเมินมูลค่าไปในปี 2022 รวมถึงการปรับลดประมาณการกำไรต่อหุ้นปี 2021-23 ลง 0.8-16.8% จากปริมาณขายน้ำมันและสมมติฐาน MM ที่ลดลง

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	104,590	133,935	145,475	159,391
Net profit	1,894	1,609	1,873	2,253
EPS (THB)	1.13	0.96	1.12	1.35
vs Consensus (%)	-	(4.9)	(3.5)	(0.5)
EBITDA	5,831	5,453	5,712	6,096
Core net profit	1,857	1,572	1,836	2,216
Core EPS (THB)	1.11	0.94	1.10	1.33
Chg. In EPS est. (%)	-	(17.1)	(8.5)	(0.8)
EPS growth (%)	19.0	(15.3)	16.8	20.7
Core P/E (x)	13.1	15.5	13.3	11.0
Dividend yield (%)	-	1.0	1.4	1.4
EV/EBITDA (x)	5.9	5.9	5.2	4.3
Price/book (x)	3.1	2.8	2.5	2.2
Net debt/Equity (%)	121.2	86.3	52.4	17.8
ROE (%)	25.6	19.0	20.0	21.5



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(7.6)	(9.3)	(24.7)
Relative to country (%)	(7.7)	(14.8)	(41.5)
Mkt cap (USD m)	732		
3m avg. daily turnover (USD m)	10.7		
Free float (%)	48		
Major shareholder	Ratchakrit Holding (25%)		
12m high/low (THB)	21.90/14.30		
Issued shares (m)	1,670.00		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 8 พฤศจิกายน 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.

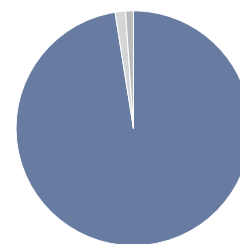
Company profile

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.ptgenergy.co.th

Principal activities (revenue, 2020)

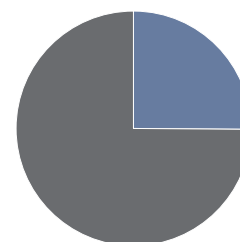
- Sales of petroleum products and others - 97.5 %
- Sales of consumable products - 1.4 %
- Others - 1.1 %



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)	5,108	5,516	6,068
Marketing margin (LPG & station) (THB/litre)	1.80	1.83	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

3Q21E preview

We project a sharp drop in PTG's 3Q21 net profit to THB125m, down 75% y-y and 75% q-q, significantly lower than its average quarterly net profit of THB0.5b. We expect the key culprits to be:

- A q-q lower MM for its oil station business to THB1.7/litre, down from THB1.9/litre in 2Q21, due to the oil price fluctuation and the lockdown impact;
- A weaker total sales volume of 1,100m litres, down 14% q-q and 10% y-y from 1,291m litres in 2Q21, due to the impact of the tight lockdown in Jul-Sep;
- A drop in sales for its non-oil businesses due to the lockdown;
- A lower share of profits of THB28m from biodiesel in 3Q21, down from THB33m in 2Q21, dragged down by seasonally low demand and the lockdown impact.

Exhibit 1: Summary of 3Q21E/9M21E operations

	3Q20	2Q21	----- 3Q21E -----			9M20	9M21E	Chg.	2021E
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	(THB m)
Revenue	25,315	33,310	28,313	(15.0)	11.8	76,693	93,887	22.4	133,935
Operating costs	(23,741)	(31,756)	(27,153)	(14.5)	14.4	(72,518)	(89,624)	23.6	(128,481)
Interest & invt inc	46	42	45	7.6	(2.8)	123	122	(0.9)	0
Associates' contrib	33	45	45	0.1	35.5	210	168	(19.7)	0
Exceptionals	1	0	0	(100.0)	(100.0)	2	1	(38.6)	0
EBITDA	1,654	1,641	1,250	(23.8)	(24.4)	4,509	4,554	1.0	5,453
<i>EBITDA margin (%)</i>	<i>6.5</i>	<i>4.9</i>	<i>4.4</i>	<i>nm</i>	<i>nm</i>	<i>5.9</i>	<i>4.9</i>	<i>nm</i>	<i>4.1</i>
Depn & amort.	(728)	(746)	(745)	(0.2)	2.3	(2,147)	(2,224)	3.6	(3,238)
EBIT	925	894	505	(43.5)	(45.4)	2,362	2,329	(1.4)	2,215
Interest expense	(280)	(276)	(280)	1.4	0.1	(820)	(830)	1.2	(354)
Pretax profit	645	618	225	(63.6)	(65.1)	1,542	1,499	(2.8)	1,941
Tax	(132)	(118)	(100)	(15.0)	(24.5)	(311)	(342)	9.9	(369)
<i>Tax rate (%)</i>	<i>20.5</i>	<i>19.0</i>	<i>44.4</i>	<i>133.7</i>	<i>116.6</i>	<i>20.2</i>	<i>22.8</i>	<i>13.0</i>	<i>19.0</i>
Minority interests	(4)	(3)	0	(100.0)	(100.0)	(8)	(3)	(63.4)	0
Net profit	509	498	125	(74.9)	(75.4)	1,223	1,154	(5.6)	1,609
Core profit	508	497	125	(74.9)	(75.4)	1,221	1,153	(5.6)	1,572
EPS (THB)	0.30	0.30	0.07	(74.9)	(75.4)	0.73	0.69	(5.6)	0.96
Core EPS (THB)	0.30	0.30	0.07	(74.9)	(75.4)	0.73	0.69	(5.6)	0.94

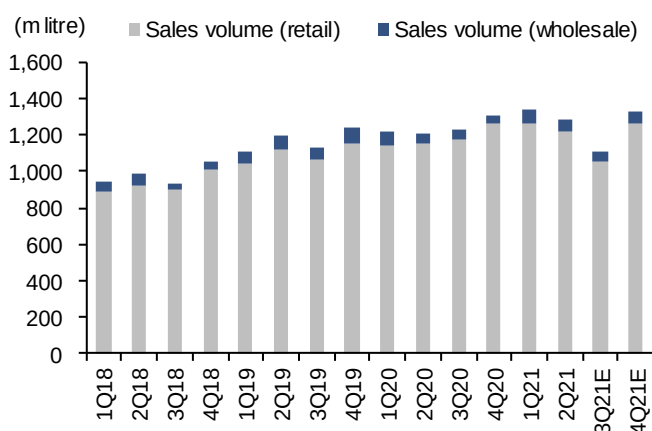
Sources: PTG; FSSIA estimates

4Q21 net profit recovery is in sight

In Oct 2021, PTG faced a highly unfavourable MM decline due to the government's price cap on diesel and lower demand from the flooding in the provinces. Starting in November onward, we expect PTG's oil sales volume to rebound meaningfully, driven by a demand recovery for both oil stations and the commercial segment following the easing of the lockdown, the reopening of the economy, and the resumption of tourism.

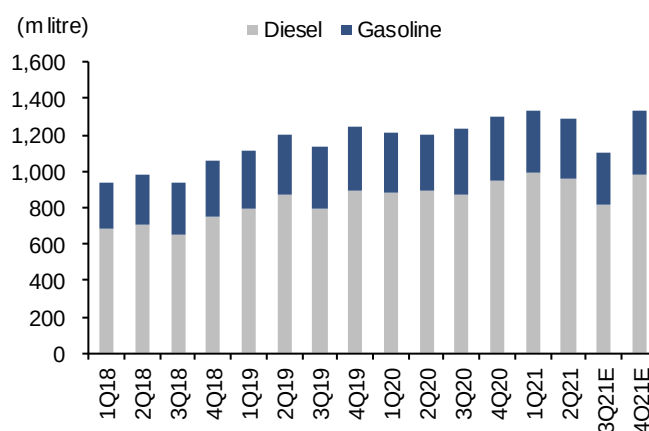
Weak marketing margin should outweigh a higher sales volume. In 4Q21, we believe PTG's oil sales volume should rebound to 1.2b-1.3b litres, up from 1.1b-1.2b litres in 3Q21, thanks to seasonally high demand, increasing economic activities, and fewer restrictions on transportation in late Sep 2021 onward. However, this should be partly offset by the lower demand from flooding in Oct 2021. Consequently, we project a weak net profit in 4Q21, as its capped MM will likely outweigh the impact of the higher demand for PTG's oil stations and non-oil businesses from the economic reopening.

Exhibit 2: Oil sales volume breakdown by channel



Sources: PTG; FSSIA estimates

Exhibit 3: Oil sales volume by product



Sources: PTG; FSSIA estimates

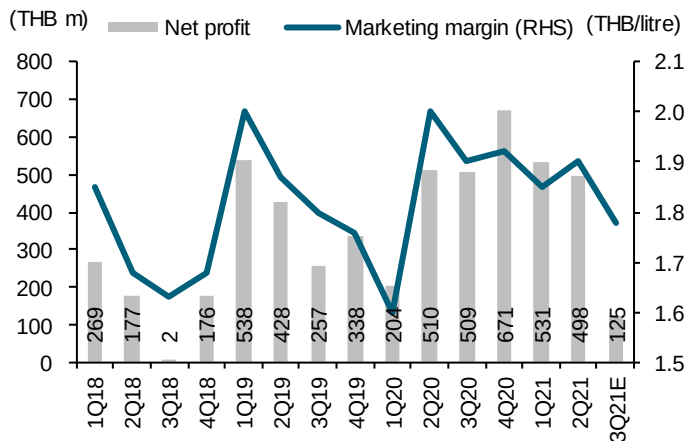
Marketing margin is key. We estimate that PTG should see a net loss from the government's price cap policy (5-31 Oct 2021) of THB63m, accounting for 11% of PTG's historical average quarterly net profit of THB0.5b. Unlike its local peers, PTG mostly sells biodiesel B7 (7% B100 and 93% diesel) and B10 at its oil stations, which accounts for over 75% of PTG's total oil sales volume.

B7 accounted for 46% of the total diesel sales volume in 2020, higher than 37.4% in Aug 2021 but down from 100% in 2018, while B10 accounted for 22% of the total diesel sales volume in 2020, lower than 37.4% in Aug 2021 but up from 0% in 2018, as the government began to introduce B10 into the market in 2019. With the government's policy to cap the biodiesel price at THB30/litre, we believe PTG could see the most significant margin downside for its biodiesel sales volumes.

While the government's price cap policy was officially effective from 5-31 Oct 2021, all oil station operators have capped their biodiesel prices at THB30/litre in response to the pressure from the government. Hence, we expect PTG's MM could remain weak in the range of THB1.53-1.62/litre in 4Q21, down from THB 1.7/litre in 3Q21 and THB2.0/litre in 1H21.

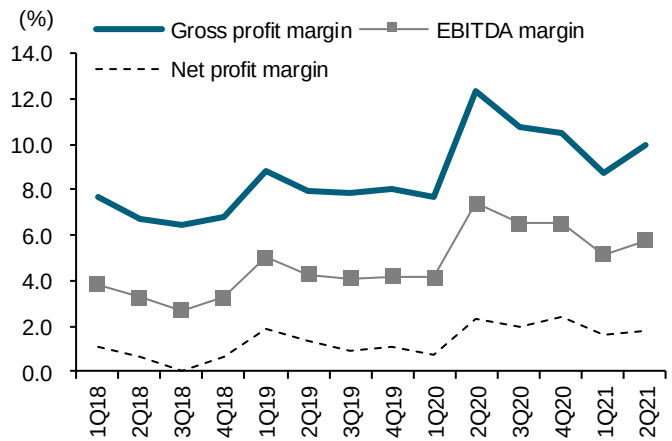
As every THB0.1/litre lower MM could result in a THB0.1b net loss for PTG, based on our calculation, we think PTG's net profit in 4Q21 could see a downside of up to THB0.2b-0.3b unless the government allows oil station operators to increase their MMs.

Exhibit 4: Net profit vs marketing margin



Sources: PTG; FSSIA estimates

Exhibit 5: Gross profit, EBITDA margin, net profit margin



Source: PTG

EPS and target price revisions

We cut our EPS forecasts for 2021-23 by 0.8-16.8% to reflect 1) our lower sales volume assumptions in 2021-23 due to the slower-than-expected economic reopening; and 2) the lower-than-expected marketing margin from the government's unclear policy to cap the prices of biodiesel.

Exhibit 6: Key changes in assumptions

	Current			Previous			Change (%)		
	2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
Revenue	133,935	145,475	159,391	140,086	152,180	166,767	(4.4)	(4.4)	(4.4)
Gross profit	13,970	14,997	16,285	14,756	15,617	16,841	(5.3)	(4.0)	(3.3)
Operating profit	2,215	2,410	2,728	2,602	2,594	2,806	(14.8)	(7.1)	(2.8)
Net profit	1,609	1,873	2,253	1,933	2,044	2,271	(16.8)	(8.4)	(0.8)
EPS (THB/share)	0.96	1.12	1.35	1.16	1.22	1.36	(16.8)	(8.4)	(0.8)
Key assumptions									
Sales volume (oil station) (m litres)	5,108	5,516	6,068	5,356	5,784	6,363	(4.6)	(4.6)	(4.6)
Marketing margin (THB/litre)	1.80	1.83	1.85	1.86	1.85	1.85	(3.2)	(1.1)	0.0
Bio complex utilisation (%)	100	100	100	100	100	100	0.0	0.0	0.0

Sources: FSSIA estimates

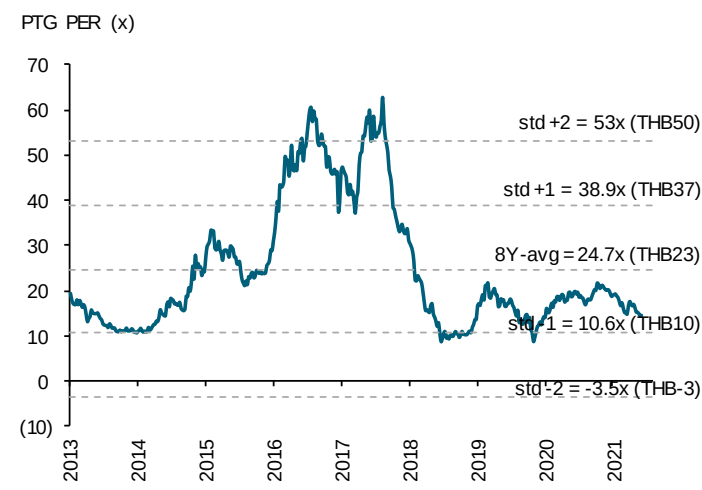
We maintain BUY but lower our TP from THB20.8, previously based on 23x 2021E EV/EBITDA, to THB18.3, now based on 20x 2022E EV/EBITDA for its oil stations and 13x 2022E P/E for its biodiesel business, to reflect our valuation rollover to 2022 and our 2021-23E EPS cuts by 0.8-16.8% on our lower oil sales volume and marketing margin assumptions. Our revised 2022E 20x P/E is around 0.75std below PTG's 8-year average to reflect the poor marketing margin outlook but improving sales volume potential following the reopening of the economy and resumption of tourism in Thailand.

Exhibit 7: SOTP valuation

PTG valuation	(THB m)	(THB/shr)	Comments
Oil stations	32,163	19.3	At 20x 2022E P/E
Biodiesel	3,445	2.1	At 13x 2022E P/E
Net debt	(5,116)	(3.1)	FY22E net debt
Total value	30,491	18.3	

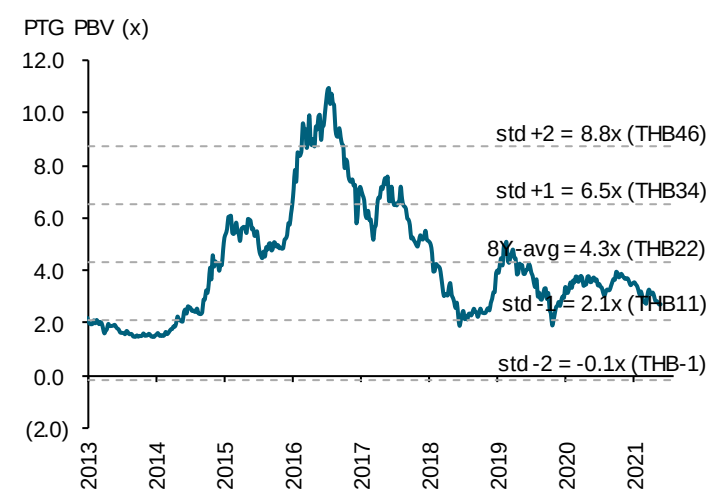
Source: FSSIA estimates

Exhibit 8: Prospective P/E band



Sources: Bloomberg, FSSIA estimates

Exhibit 9: Prospective P/BV band



Sources: Bloomberg, FSSIA estimates

Exhibit 10: 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	26.25	36	37	9,459	1.6	33.6	27.4	13.9	11.5	3.3	3.1	22.4	16.5
PTG Energy	PTG TB	BUY	14.60	18.3	25	732	6.7	15.5	13.3	19.0	20.0	2.8	2.5	5.9	5.2
Esso Thailand	ESSO TB	HOLD	7.75	8.9	15	805	67.8	6.0	5.3	26.8	24.5	1.4	1.2	5.9	4.8
Bangchak Corp	BCP TB	BUY	26.25	38	45	1,070	(214.5)	13.7	6.3	5.6	11.5	0.8	0.7	9.4	7.2
Susco	SUSCO TB	BUY	3.30	3.5	6	99	17.3	12.2	10.6	8.2	8.5	0.9	0.9	16.1	13.2
WP Energy	WP TB	BUY	5.25	5.9	12	81	9.7	23.8	14.4	9.0	14.7	2.2	2.1	4.7	3.7
Siamgas & petro	SGP TB	NA	13.60	NA	NA	737	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Thailand avg						12,983	26.3	27.1	21.7	13.5	12.2	2.7	2.5	17.9	13.3
Malaysia															
Petronas Dagangan	PETD MK	NA	19.94	NA	NA	4,766	40.7	34.5	27.4	10.0	12.6	3.5	3.5	14.3	12.6
Malaysia avg						4,766	40.7	34.5	27.4	10.0	12.6	3.5	3.5	14.3	12.6
Average (all)						17,749	30.2	29.1	23.2	12.5	12.3	2.9	2.8	16.9	13.1

Share prices as of 5 Nov 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	133,935	145,475	159,391
Cost of goods sold	(107,111)	(90,939)	(119,964)	(130,477)	(143,107)
Gross profit	13,072	13,650	13,970	14,997	16,285
Other operating income	-	-	-	-	-
Operating costs	(7,907)	(7,820)	(8,517)	(9,285)	(10,189)
Operating EBITDA	5,164	5,831	5,453	5,712	6,096
Depreciation	(3,015)	(2,885)	(3,238)	(3,303)	(3,369)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	2,149	2,946	2,215	2,410	2,728
Net financing costs	(335)	(1,104)	(354)	(226)	(80)
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	1,941	2,267	2,736
Tax	(359)	(388)	(332)	(394)	(483)
Profit after tax	1,563	1,906	1,609	1,873	2,253
Minority interests	(3)	(12)	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	1,561	1,894	1,609	1,873	2,253
Non-recurring items & goodwill (net)	0	(37)	(37)	(37)	(37)
Recurring net profit	1,561	1,857	1,572	1,836	2,216
Per share (THB)					
Recurring EPS *	0.93	1.11	0.94	1.10	1.33
Reported EPS	0.93	1.13	0.96	1.12	1.35
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)	28.1	8.6	9.6
Operating EBITDA (%)	53.8	12.9	(6.5)	4.7	6.7
Operating EBIT (%)	144.8	37.1	(24.8)	8.8	13.2
Recurring EPS (%)	149.8	19.0	(15.3)	16.8	20.7
Reported EPS (%)	149.8	21.4	(15.0)	16.4	20.3
Operating performance					
Gross margin inc. depreciation (%)	8.4	10.3	8.0	8.0	8.1
Gross margin of key business (%)	0.1	0.1	0.1	0.1	0.1
Operating EBITDA margin (%)	4.3	5.6	4.1	3.9	3.8
Operating EBIT margin (%)	1.8	2.8	1.7	1.7	1.7
Net margin (%)	1.3	1.8	1.2	1.3	1.4
Effective tax rate (%)	19.1	22.1	19.0	19.0	19.0
Dividend payout on recurring profit (%)	-	-	15.9	18.2	15.1
Interest cover (X)	6.7	3.1	6.5	11.0	35.2
Inventory days	6.8	8.6	7.4	8.0	8.0
Debtor days	-	-	-	-	-
Creditor days	-	-	-	-	-
Operating ROIC (%)	17.8	21.7	17.3	22.3	32.4
ROIC (%)	10.8	9.0	4.4	5.0	5.9
ROE (%)	25.8	25.6	19.0	20.0	21.5
ROA (%)	8.2	8.2	4.4	4.9	5.7

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2019	2020	2021E	2022E	2023E
Sales of petroleum products and others	116,535	101,970	119,659	137,608	151,368
Sales of consumable products	2,415	1,500	1,500	1,500	1,500
Others	1,233	1,120	12,776	6,367	6,523

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	1,572	1,836	2,216
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)	292	(89)	(76)
Cash flow from operations	3,291	3,965	5,182	5,134	5,597
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	(2,612)	(2,500)	(3,000)
Other financing cash flows	(725)	(2,534)	(201)	(192)	(191)
Cash flow from financing	4	(2,324)	(3,649)	(3,561)	(4,193)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	29	(97)	(496)	(63)	159
Free cash flow to firm (FCFF)	360.06	3,330.60	3,507.16	3,724.38	4,432.37
Free cash flow to equity (FCFE)	363.08	738.03	339.27	805.71	1,161.07
Per share (THB)					
FCFF per share	0.22	1.99	2.10	2.23	2.65
FCFE per share	0.22	0.44	0.20	0.48	0.70
Recurring cash flow per share	2.78	2.89	2.93	3.13	3.40
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	446	384	542
A/C receivable	0	0	0	0	0
Inventories	2,217	2,088	2,754	2,996	3,286
Other current assets	1,595	829	1,188	1,515	1,877
Current assets	4,850	3,859	4,389	4,894	5,705
Other assets	3,559	24,902	24,902	24,902	24,902
Total assets	22,652	42,037	41,516	40,500	39,327
Common equity	6,648	7,884	8,658	9,663	10,913
Minorities etc.	60	96	96	96	96
Total shareholders' equity	6,707	7,980	8,754	9,759	11,010
Long term debt	3,857	6,282	3,500	4,000	2,000
Other long-term liabilities	474	19,289	19,289	19,289	19,289
Long-term liabilities	4,330	25,572	22,789	23,289	21,289
A/C payable	0	0	0	0	0
Short term debt	5,711	4,330	4,500	1,500	500
Other current liabilities	5,904	4,156	5,473	5,952	6,528
Current liabilities	11,614	8,486	9,973	7,452	7,028
Total liabilities and shareholders' equity	22,652	42,037	41,516	40,500	39,327
Net working capital	(2,092)	(1,239)	(1,531)	(1,441)	(1,365)
Invested capital	15,710	36,940	35,597	34,164	32,256
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	3.98	4.72	5.18	5.79	6.53
Tangible book value per share	3.85	4.58	5.05	5.65	6.40
Financial strength					
Net debt/equity (%)	127.2	121.2	86.3	52.4	17.8
Net debt/total assets (%)	37.7	23.0	18.2	12.6	5.0
Current ratio (x)	0.4	0.5	0.4	0.7	0.8
CF interest cover (x)	2.1	1.7	2.0	4.6	15.5
Valuation	2019	2020	2021E	2022E	2023E
Recurring P/E (x) *	15.6	13.1	15.5	13.3	11.0
Recurring P/E @ target price (x) *	19.6	16.5	19.4	16.6	13.8
Reported P/E (x)	15.6	12.9	15.2	13.0	10.8
Dividend yield (%)	-	-	1.0	1.4	1.4
Price/book (x)	3.7	3.1	2.8	2.5	2.2
Price/tangible book (x)	3.8	3.2	2.9	2.6	2.3
EV/EBITDA (x) **	6.4	5.9	5.9	5.2	4.3
EV/EBITDA @ target price (x) **	7.6	6.9	7.0	6.3	5.4
EV/invested capital (x)	2.1	0.9	0.9	0.9	0.8
* 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	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	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	MITSI	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:

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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)

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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

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Suwat Sinsadok FSS International Investment Advisory Securities Co., Ltd

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Company	Ticker	Price	Rating	Valuation & Risks
PTG Energy	PTG TB	THB 14.60	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 26.25	BUY	The downside risks to our SOTP-based TP include: 1) lower-than-expected demand for petroleum products; 2) a lower marketing margin; and 3) weaker-than-expected jet demand.
Esso Thailand	ESSO TB	THB 7.75	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 26.25	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 3.30	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.
WP Energy	WP TB	THB 5.25	BUY	The downside risks to our SOTP-based TP include: 1) lower-than-expected demand for LPG gas; and 2) a lower marketing margin.

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 05-Nov-2021 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

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

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

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

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

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

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

Industry Recommendations

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

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

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

Country (Strategy) Recommendations

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

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

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