

11 NOVEMBER 2021

THAILAND / MATERIALS

# TIPCO ASPHALT      TASCO TB

## BUY

UNCHANGED

TARGET PRICE	THB22.50
CLOSE	THB18.10
UP/DOWNSIDE	+24.3%
TP vs CONSENSUS	+7.7%

## Subpar 3Q21 results as expected

### Disappointing 3Q21 results on lower margin and sales volumes

TASCO posted a 3Q21 net profit (NP) of THB378m, down 56% q-q and 80% y-y. The company had a 3Q21 core NP of THB438m, down 65% q-q and 75% y-y, missing BBG consensus by 6% and our estimate by 2%. We believe the lower core NP was due to a lower sales volume, particularly for its retail sales which command a higher gross margin than wholesale exports, and the lower product margins despite the higher average selling price. The asphalt-Dubai margin declined in 3Q21, driven by the higher crude cost that rose at a faster rate than the rise in asphalt price due to lower demand on the lockdown and higher freight costs. We estimate that TASCO had an asphalt sales volume of 0.3mt in 3Q21, down 23% q-q, bringing the 9M21 sales volume to 1.0mt, on track to achieve TASCO's sales volume target of 1.3mtpa in 2021.

### Weaker EBITDA margin as expected

TASCO's EBITDA margin plunged to 20.2% in 3Q21, down from 27.4% in 2Q21 and 28.6% in 3Q20, due to the lower asphalt-crude margin and lower asphalt sales in the domestic market. We estimate that the non-recurring items in 3Q21 included a hedging loss of THB204m and an FX loss of THB22m. TASCO's 3Q21 interest expense was lower by 9.4% q-q to THB32m due to lower debt.

### Stronger outlook ahead

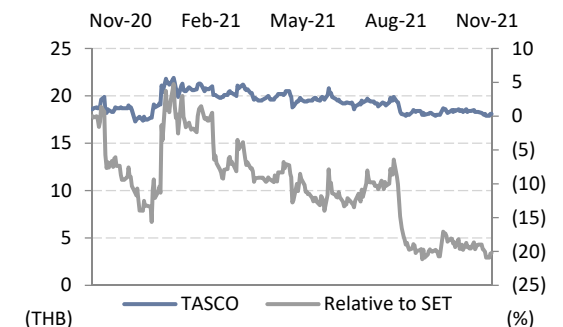
Given that its 9M21 NP of THB1.7b accounts for 76% of our 2021 full-year NP forecast, we believe TASCO should see a stronger q-q NP in 4Q21 that should continue into 2022, backed by 1) a sufficient heavy crude supply from other sources to supply its 30kboed asphalt refinery after the disruption of its Venezuelan crude supply in Feb-21 due to US sanctions; 2) a higher sales volume driven by the higher budget for the Thai government during fiscal year 2022 (Oct-21 to Sep-22); 3) lower freight costs in 2022, as the shipping industry should return to normalcy after the global economic reopening; 4) higher sales volumes from retail sales; and 5) a THB271m insurance claim for the 2018 fire on its tankers.

### Demand recovery is key

We maintain BUY and our TP of THB22.5, based on 8.7x 2022E EV/EBITDA. We believe its crude supply risk remains low and the logistics challenge caused by the Covid-19 pandemic should subside in 4Q21, allowing TASCO to boost its retail sales and export volumes.

## KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	26,155	38,166	32,135	30,926
Net profit	3,592	2,209	3,023	2,262
EPS (THB)	2.30	1.41	1.94	1.45
vs Consensus (%)	-	4.6	34.7	7.6
EBITDA	4,331	3,025	4,018	3,068
Core net profit	2,696	2,209	3,023	2,262
Core EPS (THB)	1.73	1.41	1.94	1.45
EPS growth (%)	5.9	(18.0)	36.8	(25.2)
Core P/E (x)	10.5	12.8	9.4	12.5
Dividend yield (%)	7.2	5.0	4.4	4.4
EV/EBITDA (x)	6.4	9.9	7.0	9.0
Price/book (x)	1.9	1.9	1.7	1.6
Net debt/Equity (%)	(5.4)	10.1	(1.3)	(4.1)
ROE (%)	19.1	14.8	19.1	13.2



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(1.6)	(8.6)	(2.2)
Relative to country (%)	(1.1)	(13.5)	(19.5)
Mkt cap (USD m)	872		
3m avg. daily turnover (USD m)	5.4		
Free float (%)	39		
Major shareholder	Tipco Food, Colas S.A. (31%)		
12m high/low (THB)	22.30/17.10		
Issued shares (m)	1,569.73		

Sources: Bloomberg consensus; FSSIA estimates



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## Exhibit 1: Summary of 3Q21/9M21 operations

	3Q20	2Q21	----- 3Q21 -----			9M20	9M21	Chg.	2021E
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	(THB m)
<b>Revenue</b>	<b>8,576</b>	<b>7,713</b>	<b>6,866</b>	<b>(11.0)</b>	<b>(19.9)</b>	<b>20,229</b>	<b>20,450</b>	<b>1.1</b>	<b>38,166</b>
Operating costs	(6,126)	(5,597)	(5,480)	(2.1)	(10.5)	(17,993)	(16,166)	(10.2)	(35,142)
<b>EBITDA</b>	<b>2,450</b>	<b>2,116</b>	<b>1,385</b>	<b>(34.5)</b>	<b>(43.5)</b>	<b>2,236</b>	<b>4,284</b>	<b>91.6</b>	<b>3,025</b>
<i>EBITDA margin (%)</i>	28.6	27.4	20.2	<i>nm</i>	<i>nm</i>	11.1	20.9	<i>nm</i>	7.9
Depn & amort.	(245)	(580)	(874)	50.7	256.2	(736)	(1,743)	136.8	(1,007)
EBIT	2,205	1,536	511	(66.7)	(76.8)	1,500	2,541	69.4	2,017
Interest expense	(32)	(35)	(32)	(9.4)	0.7	(101)	(92)	(8.6)	(110)
Interest & invt inc.	0	4	4	<i>nm</i>	<i>nm</i>	-	13.8	<i>nm</i>	0
Other income	23	37	26	(30.0)	13.4	61.4	89.1	45.2	700
Associates' contrib.	11	24	14	(44.0)	27.2	75.6	87.1	15.2	80
Exceptionals	90	(484)	(20)	(95.9)	<i>nm</i>	1,909	(525)	<i>nm</i>	0
<b>Pretax profit</b>	<b>2,297</b>	<b>1,084</b>	<b>504</b>	<b>(53.5)</b>	<b>(78.1)</b>	<b>3,445</b>	<b>2,114</b>	<b>(38.6)</b>	<b>2,687</b>
Tax	(433)	(208)	(113)	(45.7)	(74.0)	(655)	(419)	(36.0)	(478)
<i>Tax rate (%)</i>	18.9	19.2	22.4	<i>nm</i>	<i>nm</i>	19.0	19.8	<i>nm</i>	17.8
Minority interests	(1)	(8)	(13)	49.9	1,064.3	7.0	(27.7)	<i>nm</i>	0
<b>Net profit</b>	<b>1,862</b>	<b>867</b>	<b>378</b>	<b>(56.4)</b>	<b>(79.7)</b>	<b>2,798</b>	<b>1,668</b>	<b>(40.4)</b>	<b>2,209</b>
Non-recurring	90	(367)	(60)	(83.7)	(166.3)	1,909	(826)	<i>nm</i>	0
<b>Core net profit</b>	<b>1,773</b>	<b>1,234</b>	<b>438</b>	<b>(64.5)</b>	<b>(75.3)</b>	<b>888</b>	<b>2,494</b>	<b>180.8</b>	<b>2,209</b>
EPS (THB)	1.18	0.55	0.24	(56.4)	(79.7)	1.77	1.06	(40.4)	1.41
Core EPS (THB)	1.12	0.78	0.28	(64.5)	(75.3)	0.56	1.58	180.8	1.41

Sources: TASCOTB; FSSIA estimates

## Financial Statements

### Tipco Asphalt

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	36,893	26,155	38,166	32,135	30,926
Cost of goods sold	(31,844)	(19,550)	(33,283)	(26,552)	(26,352)
<b>Gross profit</b>	<b>5,049</b>	<b>6,605</b>	<b>4,883</b>	<b>5,583</b>	<b>4,574</b>
Other operating income	-	-	-	-	-
Operating costs	(1,831)	(2,274)	(1,859)	(1,565)	(1,506)
<b>Operating EBITDA</b>	<b>3,218</b>	<b>4,331</b>	<b>3,025</b>	<b>4,018</b>	<b>3,068</b>
Depreciation	(875)	(1,050)	(1,007)	(1,007)	(1,007)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>2,343</b>	<b>3,280</b>	<b>2,017</b>	<b>3,011</b>	<b>2,061</b>
Net financing costs	(204)	(118)	(110)	(109)	(91)
Associates	133	118	80	80	80
Recurring non-operating income	938	297	780	780	780
Non-recurring items	578	896	0	0	0
<b>Profit before tax</b>	<b>3,655</b>	<b>4,355</b>	<b>2,687</b>	<b>3,682</b>	<b>2,750</b>
Tax	(509)	(757)	(478)	(659)	(488)
<b>Profit after tax</b>	<b>3,146</b>	<b>3,598</b>	<b>2,209</b>	<b>3,023</b>	<b>2,262</b>
Minority interests	(22)	(6)	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>3,123</b>	<b>3,592</b>	<b>2,209</b>	<b>3,023</b>	<b>2,262</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(578)</b>	<b>(896)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>2,545</b>	<b>2,696</b>	<b>2,209</b>	<b>3,023</b>	<b>2,262</b>
<b>Per share (THB)</b>					
Recurring EPS *	1.63	1.73	1.41	1.94	1.45
Reported EPS	2.00	2.30	1.41	1.94	1.45
DPS	1.50	1.30	0.90	0.80	0.80
Diluted shares (used to calculate per share data)	1,562	1,562	1,562	1,562	1,562
<b>Growth</b>					
Revenue (%)	33.5	(29.1)	45.9	(15.8)	(3.8)
Operating EBITDA (%)	15.0	34.6	(30.2)	32.9	(23.6)
Operating EBIT (%)	30.3	40.0	(38.5)	49.3	(31.6)
Recurring EPS (%)	350.9	5.9	(18.0)	36.8	(25.2)
Reported EPS (%)	453.3	15.0	(38.5)	36.8	(25.2)
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	11.3	21.2	10.2	14.2	11.5
Gross margin of key business (%)	11.3	21.2	10.2	14.2	11.5
Operating EBITDA margin (%)	8.7	16.6	7.9	12.5	9.9
Operating EBIT margin (%)	6.4	12.5	5.3	9.4	6.7
Net margin (%)	6.9	10.3	5.8	9.4	7.3
Effective tax rate (%)	14.5	17.9	18.3	18.3	18.3
Dividend payout on recurring profit (%)	92.1	75.3	63.7	41.3	55.3
Interest cover (X)	16.1	30.2	25.3	34.8	31.1
Inventory days	84.8	120.0	79.8	113.2	100.9
Debtor days	50.8	59.9	32.1	38.1	39.6
Creditor days	59.2	87.3	44.9	63.8	56.8
Operating ROIC (%)	12.1	19.3	11.2	15.5	10.5
ROIC (%)	16.1	19.6	14.3	18.0	13.4
ROE (%)	19.7	19.1	14.8	19.1	13.2
ROA (%)	11.0	12.0	10.0	12.5	9.1
* Pre exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Geographic segment located in Thailand	29,044	19,240	32,162	26,155	24,946
Geographic segment located overseas	7,849	6,916	6,004	5,981	5,981

Sources: Tipco Asphalt; FSSIA estimates

## Financial Statements

### Tipco Asphalt

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	2,545	2,696	2,209	3,023	2,262
Depreciation	875	1,050	1,007	1,007	1,007
Associates & minorities	133	118	80	80	80
Other non-cash items	-	-	-	-	-
Change in working capital	3,133	794	(1,304)	635	(11)
<b>Cash flow from operations</b>	<b>6,686</b>	<b>4,659</b>	<b>1,992</b>	<b>4,746</b>	<b>3,338</b>
Capex - maintenance	(377)	(726)	(876)	(1,026)	(1,176)
Capex - new investment	(656)	(194)	(1,348)	(475)	(325)
Net acquisitions & disposals	(48)	192	0	0	0
Other investments (net)	3,703	2,759	80	80	80
<b>Cash flow from investing</b>	<b>2,623</b>	<b>2,031</b>	<b>(2,144)</b>	<b>(1,421)</b>	<b>(1,421)</b>
Dividends paid	(4,687)	(5,312)	(2,031)	(1,406)	(1,250)
Equity finance	0	0	0	0	0
Debt finance	(3,061)	(2,230)	615	0	0
Other financing cash flows	(618)	548	(160)	(160)	(160)
<b>Cash flow from financing</b>	<b>(8,366)</b>	<b>(6,994)</b>	<b>(1,576)</b>	<b>(1,566)</b>	<b>(1,410)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>943</b>	<b>(304)</b>	<b>(1,728)</b>	<b>1,758</b>	<b>507</b>
Free cash flow to firm (FCFF)	9,512.87	6,820.39	(41.80)	3,434.97	2,027.04
Free cash flow to equity (FCFE)	5,630.35	5,008.16	302.81	3,164.29	1,756.49

#### Per share (THB)

FCFF per share	6.06	4.34	(0.03)	2.19	1.29
FCFE per share	3.59	3.19	0.19	2.02	1.12
Recurring cash flow per share	2.27	2.47	2.11	2.63	2.14

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Tangible fixed assets (gross)	15,540	15,848	17,349	18,850	20,351
Less: Accumulated depreciation	(7,255)	(7,692)	(7,976)	(8,983)	(9,990)
<b>Tangible fixed assets (net)</b>	<b>8,286</b>	<b>8,156</b>	<b>9,373</b>	<b>9,867</b>	<b>10,361</b>
<b>Intangible fixed assets (net)</b>	<b>146</b>	<b>305</b>	<b>305</b>	<b>305</b>	<b>305</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	-	-	-	-	-
Cash & equivalents	2,975	2,672	943	2,701	3,208
A/C receivable	5,234	3,352	3,352	3,352	3,352
Inventories	7,467	5,383	9,164	7,311	7,256
Other current assets	462	491	717	603	581
<b>Current assets</b>	<b>16,138</b>	<b>11,898</b>	<b>14,176</b>	<b>13,968</b>	<b>14,397</b>
Other assets	692	976	976	976	976
<b>Total assets</b>	<b>25,262</b>	<b>21,334</b>	<b>24,830</b>	<b>25,116</b>	<b>26,039</b>
Common equity	13,407	14,837	15,015	16,633	17,644
Minorities etc.	171	183	183	183	183
<b>Total shareholders' equity</b>	<b>13,579</b>	<b>15,021</b>	<b>15,199</b>	<b>16,816</b>	<b>17,827</b>
Long term debt	43	225	840	840	840
Other long-term liabilities	168	170	170	170	170
<b>Long-term liabilities</b>	<b>211</b>	<b>395</b>	<b>1,010</b>	<b>1,010</b>	<b>1,010</b>
A/C payable	6,316	3,032	5,161	4,117	4,086
Short term debt	4,051	1,639	1,639	1,639	1,639
Other current liabilities	1,106	1,248	1,821	1,533	1,475
<b>Current liabilities</b>	<b>11,473</b>	<b>5,918</b>	<b>8,621</b>	<b>7,289</b>	<b>7,201</b>
<b>Total liabilities and shareholders' equity</b>	<b>25,262</b>	<b>21,334</b>	<b>24,830</b>	<b>25,116</b>	<b>26,039</b>
Net working capital	5,741	4,947	6,251	5,616	5,627
Invested capital	14,865	14,384	16,905	16,764	17,269

\* Includes convertibles and preferred stock which is being treated as debt

#### Per share (THB)

Book value per share	8.58	9.50	9.61	10.65	11.29
Tangible book value per share	8.49	9.30	9.42	10.45	11.10

#### Financial strength

Net debt/equity (%)	8.2	(5.4)	10.1	(1.3)	(4.1)
Net debt/total assets (%)	4.4	(3.8)	6.2	(0.9)	(2.8)
Current ratio (x)	1.4	2.0	1.6	1.9	2.0
CF interest cover (x)	31.8	44.9	16.0	34.4	23.8

Valuation	2019	2020	2021E	2022E	2023E
<b>Recurring P/E (x) *</b>	<b>11.1</b>	<b>10.5</b>	<b>12.8</b>	<b>9.4</b>	<b>12.5</b>
<b>Recurring P/E @ target price (x) *</b>	<b>13.8</b>	<b>13.0</b>	<b>15.9</b>	<b>11.6</b>	<b>15.5</b>
Reported P/E (x)	9.1	7.9	12.8	9.4	12.5
Dividend yield (%)	8.3	7.2	5.0	4.4	4.4
Price/book (x)	2.1	1.9	1.9	1.7	1.6
Price/tangible book (x)	2.1	1.9	1.9	1.7	1.6
EV/EBITDA (x) **	9.2	6.4	9.9	7.0	9.0
EV/EBITDA @ target price (x) **	11.3	8.0	12.2	8.7	11.3
EV/invested capital (x)	2.0	1.9	1.8	1.7	1.6

\* Pre-exceptional, pre-goodwill and fully diluted \*\* EBITDA includes associate income and recurring non-operating income

Sources: Tipco Asphalt; 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	TRC	TSC	TSR	TSTE	TSTH
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSIB	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIJK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

GOOD LEVEL										
7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	IHL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TIPIP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

## Description

## Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

## Disclaimer:

The disclosure of the survey results of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

\* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; \*\* delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

## Anti-corruption Progress Indicator 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANAHA	AP	AQUA	ARROW
ASK	ASP	AYUD	B	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG
BGC	BGRIM	BJCHI	BKI	BLA	BPP	BROOK	BRR	BSBM	BTS	BWG
CEN	CENTEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT	CM	CMC
COL	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DELTA	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FPI	FPT	FSS
FTE	GBX	GC	GCAP	GEL	GFPT	GGC	GJS	GPSC	GSTEEL	GUNKUL
HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS	INET	INSURE	INTUCH	IRPC
ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL
KTB	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	M	MAKRO
MALEE	MBAX	MBK	MBKET	MC	MCOT	MFC	MFEC	MINT	MONO	MOONG
MPG	MSC	MTC	MTI	NBC	NEP	NINE	NKI	NMG	NNCL	NSI
NWR	OCC	OCEAN	OGC	ORI	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPPM
PPS	PREB	PRG	PRINC	PRM	PSH	PSL	PSTC	PT	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QLT	QTC	RATCH	RML	RWI	S & J
SABINA	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SEAOIL	SE-ED	SELIC
SENA	SGP	SIRI	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK
SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC
TAE	TAKUNI	TASCO	TBSP	TCAP	TCMC	TFG	TFI	TFMAMA	THANI	THCOM
THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT	TTB	TMD	TMILL	TMT
TNITY	TNL	TNP	TNR	TOG	TOP	TPA	TPCORP	TPP	TRU	TSC
TSTH	TTCL	TU	TVD	TVI	TVO	TWPC	U	UBIS	UEC	UKEM
UOBKH	UWC	VGI	VIH	VNT	WACOAL	WHA	WHAUP	WICE	WIJK	XO
ZEN	TRUE									
DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

**Disclaimer:**

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; \* FSSIA's compilation

## GENERAL DISCLAIMER

### ANALYST(S) CERTIFICATION

Suwat Sinsadok FSS International Investment Advisory Securities Co., Ltd

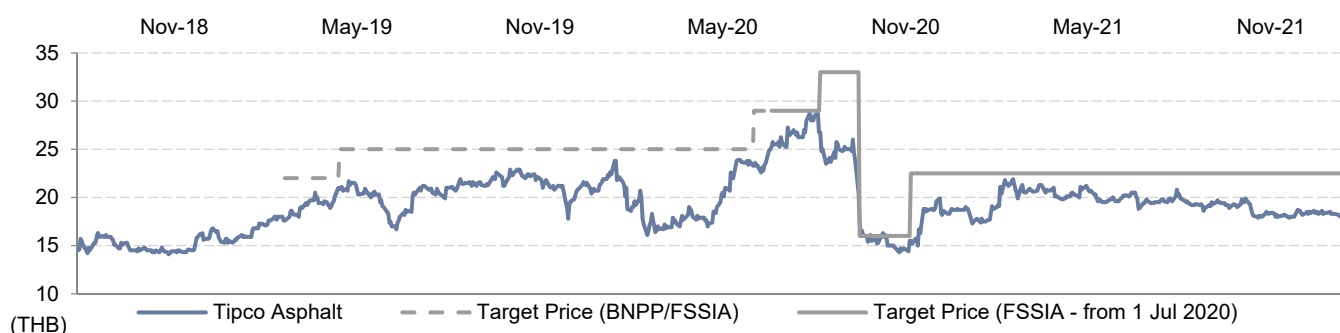
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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### History of change in investment rating and/or target price

#### Tipco Asphalt (TASCO TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
09-May-2019	BUY	22.00	29-Jun-2020	BUY	29.00	28-Oct-2020	BUY	22.50
25-Jun-2019	BUY	25.00	11-Aug-2020	BUY	33.00			
16-Jun-2020	BUY	29.00	14-Sep-2020	REDUCE	16.00			

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
Tipco Asphalt	TASCO TB	THB 18.10	BUY	Downside risks to our EV/EBITDA multiple based TP include 1) a lower asphalt margin due to a oversupply in Asia on the back of faster recovery of utilisation rate for global refiners; and 2) a lower-than-expected supply of alternative crudes and asphalt.

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

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All share prices are as at market close on 10-Nov-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.